

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

PUBLIC ISSUE OF 30,000,000 ORDINARY SHARES

ISSUE DATE OF THE PROSPECTUS: _____

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Closing date of subscription: 2018

PROSPECTUS

Name of Issuer:



Name of Issue Managers:



Prime Finance Capital Management Limited



Imperial Capital Limited

&



SBL Capital Management Limited

(a) Preliminary Information and Declarations:

- (i) Name(s), address(s), telephone number(s), web address(s), e-mail(s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;

| ISSUER | | |
|--|--|---|
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Silva Pharmaceuticals Limited (SPL) House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. | Tel: +88-02-8129915, +88-02-9146009 Fax: +88-02-9146013 Email: info@silvapharma.com Web: www.silvapharma.com | Md. Iqbal Hossain Company Secretary |
| ISSUE MANAGERS | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Prime Finance Capital Management Limited PFI Tower (6th Floor), 56-57 Dilkusha C/A, Dhaka-1000. | Tel: +88-02-9584874, +88-02-9584876-7 Fax: +88-02-9584922 E-mail: info@primefincap.com Web: www.primefincap.com | Md. Rezaul Haque Managing Director (CC) |
| Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org | Md. Salauddin Sikder FCMA CEO & Managing Director |
| SBL Capital Management Ltd. 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000 | Tel: +88-02-9585984 Fax: +88-02-9585985 E-mail: scml2009@yahoo.com Web: www.standardbankbd.com/CapitalManagement.php | Abu Nayem Md. Ibrahim Chief Executive Officer |
| UNDERWRITERS | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| AIBL Capital Management Limited Peoples Insurance Bhaban (7th Floor) 36 Dilkusha C/A, Dhaka-1000. | Tel: +88-02-9551962, +88-02-7123255-7 Fax: +88-02-9575379 E-mail: husain.ahmad@al-arafahbank.com Web: al-arafahbank.com | Muhammad Husain Ahmad Faruqi Chief Executive Officer (CC) |

| | | |
|--|---|---|
| MTB Capital Limited MTB Tower (Level 3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000 | Tel: +88-02-8321760 Fax: +88-02-8321543 E-mail: khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com | Khairul Bashar Abu Taher Mohammed Chief Executive Officer |
| BMSL Investment Limited Shareef Mansion (4th Floor) 56-57 Motijheel C/A Dhaka-1000. | Tel: +88-02-9577651, +88-02-9570624, +88-02-9565183 Fax: +88-02-47117218 E-mail: info@bmslinvestment.com Web: www.bmslinvestment.com | Md. Riyad Matin Managing Director |
| CAPM Advisory Limited Tower Hamlet (9th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2 Fax: +88-02-9822393 E-mail: contact@capmadvisorybd.com Web: www.capmadvisorybd.com | Tania Sharmin Managing Director & CEO |
| EXIM Islami Investment Ltd. Printer's Building (5th Floor) 5 Rajuk Avenue, Motijheel C/A, Dhaka-1000. | Tel: +88-02-9561604 Fax: +88-02-9561937 Email: eiil@eximbankbd.com Web: www.eximbankbd.com/about/eiil | Md. Mizanur Rahman First Assistant Vice President |
| AUDITOR | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Mahfel Huq & Co. Chartered Accountants 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000. | Tel: +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com web: www.mahfelhuq.com | Howlader Mahfel Huq, FCA Managing Partner |

The Company has no involvement with Valuer; Credit rating is not applicable for the issuer.

(ii) A person interested to get a prospectus may obtain from the issuer and the issue managers.

(iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter”

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY."

(v) *'Risks in relation to the First Issue'*

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (Ten) and the issue price is Tk. 10.00, i.e. the face value. The issue price has been determined and justified by the issuer and the issue managers as stated under the paragraph on "justification of issue price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) *'General Risk'*

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 202-211"

(vii) *'Silva Pharmaceuticals Limited's Absolute Responsibility'*

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) **Availability of Prospectus**

- (i) **Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;**

The Prospectus and abridged version prospectus in hard and soft forms of the Company shall be obtained from the following addresses:

| ISSUER | | |
|---|---|---|
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Silva Pharmaceuticals Limited (SPL) House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. | Tel: +88-02-8129915, +88-02-9146009 Fax: +88-02-9146013 Email: info@silvapharma.com Web: www.silvapharma.com | Md. Iqbal Hossain Company Secretary |
| ISSUE MANAGERS | | |
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Prime Finance Capital Management Limited PFI Tower (6th Floor), 56-57 Dilkusha C/A, Dhaka-1000. | Tel: +88-02-9584874, +88-02-9584876-7 Fax: +88-02-9584922 E-mail: info@primefincap.com Web: www.primefincap.com | Md. Rezaul Haque Managing Director (CC) |
| Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org | Md. Salauddin Sikder FCMA CEO & Managing Director |
| SBL Capital Management Ltd. 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000 | Tel: +88-02-9585984 Fax: +88-02-9585985 E-mail: scml2009@yahoo.com Web: www.standardbankbd.com/CapitalManagement.php | Abu Nayem Md. Ibrahim Chief Executive Officer |

| STOCK EXCHANGES | | |
|---|---|---|
| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
| Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000 | Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org | Afzalur Rahaman Manager |
| Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100. | Tel: 031-714632-3 Fax: 031-714101 E-mail: jabed@cse.com.bd Web: www.cse.com.bd | Mohammed Jabed Sarwar Assistant Manager |

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) **Names and dates of the newspapers where abridged version of prospectus was published.**

Names and dates of the newspapers where abridged version of prospectus was published:

| Sl. No. | Name of the Newspaper | Date of Publication |
|----------------|------------------------------|----------------------------|
| 1 | | |
| 2 | | |
| 3 | | |
| 4 | | |

(iii) Definitions and Acronyms or Elaborations

Acronyms or Elaborations:

A

| | |
|--|--|
| “Articles” or “Articles of Association” or “AoA” | The Articles of Association of Silva Pharmaceuticals Limited, as amended |
|--|--|

| | |
|-----|------------------------|
| AGM | Annual General Meeting |
|-----|------------------------|

| | |
|-----------|-------------------------------|
| Allotment | Letter of Allotment of shares |
|-----------|-------------------------------|

B

| | |
|--|---|
| “Board” or “Board of Directors” or “our Board” | The Board of Directors of Silva Pharmaceuticals Limited, as duly constituted from time to time including any committees thereof |
|--|---|

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|-----|---------------------------------|
| BAS | Bangladesh Accounting Standards |
|-----|---------------------------------|

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|-----|------------------|
| BDT | Bangladeshi Taka |
|-----|------------------|

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|------|--|
| BFRS | Bangladesh Financial Reporting Standards |
|------|--|

| | |
|--------|-----------------------------|
| BO A/C | Beneficiary Owner's Account |
|--------|-----------------------------|

| | |
|------|---|
| BSEC | Bangladesh Securities and Exchange Commission |
|------|---|

C

| | |
|------|---------------------------------------|
| CDBL | Central Depository Bangladesh Limited |
|------|---------------------------------------|

| | |
|-------------|-------------------|
| Certificate | Share Certificate |
|-------------|-------------------|

| | |
|-----|-------------------------|
| CFO | Chief Financial Officer |
|-----|-------------------------|

| | |
|-----|---------------------------|
| CIB | Credit Information Bureau |
|-----|---------------------------|

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| CIS | Collective Investment Scheme |
|-----|------------------------------|

| | |
|------------|---|
| Commission | Bangladesh Securities and Exchange Commission |
|------------|---|

| | |
|-----|-----------------------------------|
| CSE | Chittagong Stock Exchange Limited |
|-----|-----------------------------------|

| | |
|----|-------------------|
| CS | Company Secretary |
|----|-------------------|

D

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|-----|------------------------------|
| DSE | Dhaka Stock Exchange Limited |
|-----|------------------------------|

| | |
|----|------------------|
| DM | Demineralization |
|----|------------------|

E

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|--------|-----------------|
| E-Mail | Electronic Mail |
|--------|-----------------|

| | |
|-----|--------------------|
| EPS | Earnings Per Share |
|-----|--------------------|

| | |
|-----|--------------------------|
| ETP | Effluent Treatment Plant |
|-----|--------------------------|

| | |
|-----------|-----------------|
| Exchanges | Stock Exchanges |
|-----------|-----------------|

F

| | |
|--------|--------------------------|
| FC A/C | Foreign Currency Account |
|--------|--------------------------|

| | |
|-----|-----------------------|
| FDR | Fixed Deposit Receipt |
|-----|-----------------------|

G

| | |
|-----|---------------------|
| GBP | Great Britain Pound |
|-----|---------------------|

H

| | |
|------|--|
| HVAC | Heating, ventilation, and air conditioning |
|------|--|

I

| | |
|-----|--------------------------|
| ICL | Imperial Capital Limited |
|-----|--------------------------|

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|-----|-------------------------|
| IPO | Initial Public Offering |
|-----|-------------------------|

| | |
|-----|-------------------------------------|
| IMS | Intercontinental Marketing Services |
|-----|-------------------------------------|

| | |
|-------|------------------------|
| Issue | Public Issue of shares |
|-------|------------------------|

| | |
|--|---|
| Issue Managers | Prime Finance Capital Management Limited, Imperial Capital Limited & SBL Capital Management Limited |
| Issuer | Silva Pharmaceuticals Limited |
| L | |
| L/C | Letter of Credit |
| M | |
| “Memorandum” or “Memorandum Association” or “MoA” of | The Memorandum of Association of Silva Pharmaceuticals Limited, as amended |
| MS-Word | Microsoft word |
| N | |
| NAV | Net Asset Value |
| NBFI | Non-Banking Financial Institution |
| NRB | Non-Resident Bangladeshi |
| O | |
| Our Company | Silva Pharmaceuticals Limited |
| Offering Price | Price of the Securities of SPL |
| P | |
| PFCML | Prime Finance Capital Management Limited |
| PE | Price to Earnings |
| R | |
| RJSC | Registrar of Joint Stock Companies and Firms |
| S | |
| SCML | SBL Capital Management Limited |
| Securities | Share of Silva Pharmaceuticals Limited |
| Securities Market | The Share Market of Bangladesh |
| SPL | Silva Pharmaceuticals Limited |
| Sponsors | The sponsor shareholders of Silva Pharmaceuticals Limited |
| Subscription | Application Money |
| T | |
| The Company/Issuer | Silva Pharmaceuticals Limited |
| TT | Telephonic Transfer |
| U | |
| UK Pound | United Kingdom Pound |
| USD | United States Dollar |
| V | |
| VAT | Value Added Tax |
| W | |
| WDV | Written Down Value |

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| (o) | Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor; | 115 |
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| | | |
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CHAPTER (I)

EXECUTIVE SUMMARY

(a) About the industry:

Pharmaceutical is the core of Bangladesh's Healthcare sector and serves as one of the most important manufacturing industry. With a history since 1950s, the industry has now turned one of the most successful pharmaceuticals manufacturing industry among the developing countries. The skills and knowledge of the professionals and innovative ideas of the people involved in this industry are the key factors for these developments. 20 years ago, 75% of the drugs needed to be imported. Now, only 2% of the drugs are imported, the remaining 98% come from local companies. Since the promulgation of Drug Policy in 1982, the sector has grown from BDT 1730 mn to more than BDT 160 bn (\$2.0 bn).

There are more than 437 registered small, medium, large scales, local and multinational companies operating in the country producing around 98% of the total internal demand. The remaining 2% basically constitute import of much-specialized products like vaccines, anti-cancer products and hormone drugs. The industry manufactured about 1,500 types of medicine which includes about 22,000 brands of medicines in different dosage forms. About 1% of the total GDP and the Pharmaceutical Industry of Bangladesh has come a long way in the past four decades and has already established itself in domestic as well as international market. The industry contributes e second largest industry in terms of contribution to government's exchequer.

In the year 2015-2016 Bangladesh pharmaceuticals market size was Tk. 15,600 Crore. Insiders of the industry apprehend that by the year 2024 Bangladesh pharmaceuticals market size will be Tk. 30,300 Crore. Bangladesh Pharmaceutical Industry is now self-sufficient in meeting the local demand. Bangladesh pharmaceuticals industry is enjoying good number of macroeconomic factors as competitive advantages like favorable government policy, comfortable size of local market for 16 Crore populations, cheap labor, available technological know-how, low power costs, low costs white-collar labor etc.

Source: IMS report 06 July, 2017

(b) About the Issuer:

| | |
|---|---|
| Incorporation | Incorporate as Private Limited Company on April 24, 2001 & Reg. No. CH-42959(2318)/2001 |
| Date of Conversion to Public Limited Company | 22-Apr-2014 |
| Date of Commencement of Commercial Operation | 1-Jul-2003 |
| Registered & Corporate Office | House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. |
| Factory | <ol style="list-style-type: none">1. Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali-Rented factory building &2. Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali-Owned factory building. |
| Nature of Business | The Company has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti-inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local market. |

(c) **Financial Information:**

Major financial information of Silva Pharmaceuticals Limited (SPL) is as follows:

| Sl. No. | Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 1-Jun-14 | 31-May-13 |
|---------|---|---------------|---------------|---------------|---------------|---------------|
| | | 12 Months | 13 Months* | For the year | | |
| | | Re-stated | | | Re-stated | |
| 1 | Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| 2 | Gross Profit | 236,715,799 | 249,255,235 | 189,624,447 | 203,563,858 | 185,901,561 |
| 3 | Net Profit before Income Tax | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| 4 | Net Profit after Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |
| 5 | Total Assets | 1,941,163,581 | 1,638,898,992 | 1,234,007,550 | 1,114,741,787 | 1,057,172,492 |
| 6 | Share Capital | 1,000,000,000 | 500,000,000 | 120,000,000 | 120,000,000 | 120,000,000 |
| 7 | Retained Earnings | 647,797,063 | 585,378,504 | 510,653,930 | 475,793,005 | 461,604,211 |
| 8 | No. of Shares | 100,000,000 | 50,000,000 | 12,000,000 | 12,000,000 | 1,200,000 |
| 9 | Face Value | 10.00 | 10.00 | 10.00 | 10.00 | 100.00 |
| 10 | NAV Per Share (Considering FV Tk. 10 for all years 31 May 2013, 2014, 2015 & 30 Jun, 2016 and 2017) | 16.48 | 21.71 | 52.55 | 49.65 | 48.47 |
| 11 | Earnings per Share (EPS) (Considering FV Tk. 10 for all years 31 May, 2013, 2014, 2015 & 30 Jun, 2016 and 2017) | 1.03 | 1.24 | 1.06 | 1.00 | 0.91 |

** As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.*

(d) Features of the issue and its objects:

| | |
|--------------------------------|--|
| Offer Price | BDT 10.00 |
| Number of Shares | 30,000,000 Ordinary Shares |
| Offer Size | Tk. 300,000,000.00 |
| Purpose of Raising Fund | Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction and other civil works, loan pay off and for IPO Expenses |
| Date of Implementation | Within 21 months after receiving IPO fund |

(e) Legal and other Information:

| SL | Name of Certificate/license/Registration | License Issuer/Issuing Authority | Certificate/License No. | Validity/ Current Status |
|----|--|--|--------------------------|-------------------------------------|
| 1 | Trade License | Noakhali Pourashava | 01060 | 30.06.2018 |
| | | Binodpur Union Parishad | 54 | 30.06.2018 |
| 2 | TIN Certificate | National Board of Revenue | 652706278754 | N/A |
| 3 | VAT Reg. No. | Customs, Excise & VAT Commissionerate, Comilla | 23081024062 | N/A |
| 4 | Import Registration Certificate (IRC) | Controller of Import & Export, Government of Bangladesh | Ba 128017 | 30.06.2018 |
| 5 | BAPI | Bangladesh Association of Pharmaceutical Industries | 1512 | 31.12.2017 |
| 6 | Fire License | Bangladesh Fire Services and Civil Defense | Noa 1211/08-09 | 30.06.2018 |
| | | | Noa 2109/17-18 | 30.06.2018 |
| 7 | Drug License | Directorate General of Drug Administration & Licensing Authority (Drugs), Govt. of the Peoples Republic of Bangladesh. | 456 | 03.10.2017 (applied for renewal) |
| 8 | Environment Clearance Certificate | Department of Environment, Chittagong Division | 3525/2002/265 | 14.07.2018 |
| | | | 699 | 26.05.2019 |
| 9 | Factory License | Department of Factory, Comilla | 450/Noakhali | 30.06.2018 |
| | | | 450/Noakhali | 31.12.2018 |
| 10 | Fire Insurance | Agrani Insurance Company Limited | AICL/MAJ/FC-0144/07/2017 | 02.07.2018 |
| 11 | Narcotics Import | Department of Narcotics Control, Noakhali | 01/2004-2005 | 30.06.2018 |
| 12 | Narcotics Producing & Processing | Department of Narcotics Control, Noakhali | 01/2004-2005 | 30.06.2018 |

(f) **Promoters' background:**

At the time of incorporation following persons were the subscribers to the memorandum:

| Sl. No. | Name of Promoter | Present Status |
|---------|-------------------------------|---------------------|
| 1 | Md. Anwar Mirza | Sponsor Shareholder |
| 2 | Mrs. Sajeda Mirza | Sponsor Shareholder |
| 3 | Dr. Shibli Mirza | Sponsor Shareholder |
| 4 | Mr. A. R. Hassan Mirza | Sponsor Shareholder |
| 5 | Mrs. Silvana Mirza | Chairman |
| 6 | Mrs. Samina Mirza | Director |
| 7 | Mrs. Farhana Mirza | Director |
| 8 | Al-Amin Bread & Biscuits Ltd. | Director |

Their background is stated below:

Mr. Md. Anwar Mirza, Sponsor

Mr. Md. Anwar Mirza, is the founder of the Company, began his entrepreneurial ventures with bakery and pastry shop in his home district of Noakhali in the name of Mustafa Bread & Biscuits Factory in 1960 after his graduation from Chittagong Government College. As a visionary entrepreneur, he was able to see the future consumption of medicine in Bangladesh and wanted to establish a pharmaceutical industry. In the year 2001 he established Silva Pharmaceuticals Limited. Due to his sincere effort and dynamic vision since the inception of this company, it has been able to get a position in the medicine market. Later on, he established oil refinery, hatchery, food and beverage industries. Internationally Mr. Mirza is a member of American Oil Chemist Society, American Diabetic Association and is a senior member of the International Business Leaders. He was recognized as Commercial Important Person (Shilpa)(CIP) by the GOB for 13 (thirteen) years for his important role for the industrialization of country.

He also gathered experiences on Automatic Biscuit Industry Machinery from SHINO Works Co. Ltd. of Japan and on Hydrogenation & Soybean oil refining from Erections Techniques of Germany.

Mrs. Sajeda Mirza, Sponsor

Mrs. Sajeda Mirza, is a Graduate from University of Dhaka. She is also a Sponsor of the company. She has a long experience in the management of the company. Mrs. Mirza is a renowned philanthropist and social worker. She is also involved with many cultural and social organizations in Noakhali and beyond.

Dr. Shibli Mirza, Sponsor

Dr. Shibli Mirza finished his BBA with distinction from Wayne State University, USA. He finished PhD in International Business from University of Michigan, USA. He is on the US national merit scholar list and has received a Gold Medal for his exemplary scholastic achievement. He has become a life member of the Golden Key National Honor Society, USA (membership is only given based on merit). While completing BBA, he was placed at General Motors as an executive internee for 3 (three) years. He has received many awards on several projects done related to marketing during his tenure at GM. He was a member

of Delta Sigma Pi. He is a sponsor of the Siva Pharmaceuticals Ltd. He is honored as CIP by the Government of Bangladesh for the year 2010 for his outstanding contribution in national economy.

Mr. A. R. Hassan Mirza, Sponsor

Mr. A. R. Hassan Mirza completed his MBA Degree from University of Bedfordshire, UK. He is a Sponsor of the company. He has a long experience in the management of the company. Mr. Mirza is a renowned philanthropist and social worker. He is also involved with many cultural and social organizations in Noakhali and beyond.

Mrs. Silvana Mirza, Chairman

Mrs. Silvana Mirza was born at Noakhali in Bangladesh in the year 1978. She is the chairman and one of the sponsors of the Company. She graduated from Asian University Bangladesh in Islamic Studies. She oversees the business with inception of the company as director Operation. Her interpersonal skills, leadership behavior, high analytical ability in business and very hard working nature made her worth as director.

Mrs. Samina Mirza, Director

Mrs. Samina Mirza was born at Noakhali in Bangladesh in the year 1985. She is one of the sponsors and Directors of the Company. She graduated from London. Her acumen in business and flexible manner in terms of public relations made her a role model in developing the culture of the organization.

Mrs. Farhana Mirza, Director

Mrs. Farhana Mirza was born at Noakhali in Bangladesh in the year 1986. She is one of the sponsors and Directors of the Company. She graduated from Asian University Bangladesh in Islamic Studies. She is doing her job nicely with adding value by creative and innovative ideas to the Board.

(g) Capital structure and history of capital raising:

The Company intends to issue 30,000,000 ordinary shares of Tk. 10.00 each at par through Initial public offering (IPO) totaling to Tk. 300,000,000.00 subject to regulatory approvals.

| Particulars | No. of Shares | Face Value (Tk.) | Issue Price (Tk.) | Amount in Taka |
|-----------------------------------|--------------------|------------------|-------------------|----------------------|
| Authorized Capital | 150,000,000 | 10.00 | 10.00 | 1,500,000,000 |
| Before IPO: | | | | |
| Paid up capital | 100,000,000 | 10.00 | 10.00 | 1,000,000,000 |
| After IPO: | | | | |
| To be issued through IPO | 30,000,000 | 10.00 | 10.00 | 300,000,000 |
| Paid up capital (Post IPO) | 130,000,000 | 10.00 | 10.00 | 1,300,000,000 |

The Company has raised its paid-up capital in following phases:

| Particulars of Allotment | Date of Allotment | Form of Consideration (No. of Shares) | | | | Face Value of Share (Tk.) | Paid-up Capital |
|--|-------------------|---|---|--------------------|-------|---------------------------|----------------------|
| | | In cash | | Other than in cash | Bonus | | |
| | | Considering Face Value of Tk.100 each Share | Considering Face Value Tk.10 each Share after split | | | | |
| 1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation) | 24-Apr-01 | 20,000 | - | - | - | 100.00 | 2,000,000 |
| 2 nd | 20-Jun-02 | 190,000 | - | | | 100.00 | 19,000,000 |
| 3 rd | 21-Jun-03 | 300,000 | - | | | 100.00 | 30,000,000 |
| 4 th | 20-Aug-04 | 690,000 | - | | | 100.00 | 69,000,000 |
| 5 th | 30-Sep-15 | - | 38,000,000 | - | - | 10.00 | 380,000,000 |
| 6 th | 24-Jul-16 | - | 15,000,000 | - | - | 10.00 | 150,000,000 |
| 7 th | 20-Feb-17 | - | 35,000,000 | | | 10.00 | 350,000,000 |
| Total | | | | | | 10.00 | 1,000,000,000 |

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 22, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

(h) Summary of Valuation Report of Securities:

| Particulars | Amount (in Tk.) |
|---|-----------------|
| Method 1: Net Asset Value (NAV) per share/Equity based valuation | |
| Net Asset Value per share (without revaluation reserve) | 16.48 |
| Method 2: Historical Earnings based valuation | |
| Earnings based Value per share based on Overall Market P/E | 11.52 |
| Method 3: Average market price of similar stock based valuation | 284.57 |

CHAPTER (II)

CONDITIONS IMPOSED BY THE COMMISSION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM:

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Silva Pharmaceuticals Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:

PART-A

1. The Company shall go for Initial Public Offer (IPO) for **30,000,000** ordinary shares of Tk. 10.00 each at par totaling to **Tk. 300,000,000.00 (Taka Thirty Crore)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made thereunder.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue managers, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue managers shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Managers within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

"Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and

severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money.”

6. The IPO shall stand cancelled and the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges to the effect that at least 35% of the IPO in any category is not subscribed.
7. **20% of the securities reserved for general public (GP) excluding NRB shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী. In case of over subscription in the general public category, the issuer and the issue managers shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis as per rules.**
8. All applicants under general public category shall apply for minimum market lot of 500 shares worth Taka 5,000/- (Taka five thousand only) and eligible investors shall apply for a market lot or its multiples.
9. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.**
11. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.

14. If any share shares of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02 (two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers’ certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue managers shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;

16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue managers shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue managers shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
4. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
 - (a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
 - (b) **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
 - (c) **Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;**
 - (d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and**
 - (e) **The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**

5. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s) and used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders meeting under intimation to the Commission and the exchanges.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue managers shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

CHAPTER (III)

DECLARATION AND DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS

[Rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Mrs. Silvana Mirza
Chairman

Sd/-
Mrs. Samina Mirza
Director

Sd/-
Mrs. Farhana Mirza
Director

Sd/-
**Md. Nazrul Islam Khan, Nominated by
*Investment Corporation of Bangladesh (ICB)***
Director

Sd/-
Dr. Saira Khan
Director & Managing Director

Sd/-
**Mr. Monsur Rahman, Nominated by
*Adarsha Fisheries & Poultry Farm Ltd.***
Director

Sd/-
Md. Musfiqur Rahman FCA
Independent Director

Sd/-
Tanha Zarrin Ahmed
Independent Director

Date: June 15, 2017

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(PRIME FINANCE CAPITAL MANAGEMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 (Taka thirty crore) only by Silva Pharmaceuticals Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

- f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Serial No | Name of the Issue | Issue Year | Issue Price | Dividend Payment History | | | | |
|-----------|--|------------|-------------|--------------------------|------|------------|-------|-------------|
| | | | | 2016 | 2015 | 2014 | 2013 | 2012 |
| 1. | Summit Purbanchol Power Company Limited [*Summit Purbanchol Power Company Limited (SPPCL), Summit Uttranchol Power Company Limited (SUPCL) and Summit Narayanganj Power Limited (SNPL) were amalgamated with Summit Power Limited (SUMITPOWER) effective from August 24, 2016.] | 2012 | Tk. 40.00 | - | 10%B | 10.00, 5%B | 15.00 | 10.00, 10%B |
| 2. | No issue was approved | 2013 | N/A | | | | | |
| 3. | Western Marine Shipyard Limited | 2014 | TK. 35.00 | 12%B | 10%B | 5.00, 10%B | - | - |
| 4. | No issue was approved | 2015 | N/A | | | | | |
| 5. | Bangladesh National Insurance Company Limited | 2016 | Tk. 10.00 | 10% | - | - | - | - |

For Manager to the issue:

Sd/-

M. Mosharraf Hossain FCA, PhD

Managing Director & CEO

Prime Finance Capital Management Limited

Place: Dhaka

Date: 27 November 2017

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(IMPERIAL CAPITAL LIMITED)

[Rule 4 (1) (d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

| Serial No | Issue Month/Year | Issue Price | Dividend Payment History | |
|------------------|---|--------------------|---------------------------------|---|
| 1 | AFC Agro Biotech Limited (October-2013) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 20% 2017*, 20% 2016, 15% 2014, 10% 2013 |
| 2 | Tung Hai Knitting & Dyeing Limited (Aprir-2014) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 10% 2016, 10% 2014, 10% 2013 |
| 3 | Shasha Denims Limited (November-2014) | 35.00 | Cash Dividend | 25% 2017, 25% 2016, 20% 2014 |
| | | | Stock Dividend | 6% 2017, 15% 2014 |
| 4 | C & A Textiles Limited (September-2014) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 10% 2016, 12% 2015, 11% 2014 |
| 5 | Simtex Industries Limited (July-2015) | 20.00 | Cash Dividend | 2% 2017, 20% 2016 |
| | | | Stock Dividend | 10% 2017, 2% 2016 |
| 6 | Yeakin Polymer Limited (June-2016) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 5% 2017*, 10% 2016 |
| 7 | Fortune Shoes Limited (July-2016) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 12% 2017* |

| | | | | |
|---|--|-------|----------------|-----------|
| 8 | Nurani Dyeing & Sweater Limited (March-2017) | 10.00 | Cash Dividend | - |
| | | | Stock Dividend | 10% 2017* |

** subject to approval in the AGM*

Place: Dhaka

Date: December 01, 2017

Sd/-
Md. Salauddin Sikder FCMA
 CEO & Managing Director
Imperial Capital Limited

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(SBL CAPITAL MANAGEMENT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (3) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (4) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;

- f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- k) We also declare that we have not managed any public issue in the last 05 (five) years.

For the Issue Manager

Sd/-

Abu Nayem Md. Ibrahim
Chief Executive Officer
SBL Capital Management Limited

Place: Dhaka

Date: March 27, 2017

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(AIBL CAPITAL MANAGEMNT LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 500,000,000 (Taka Fifty Crore only) and we have the capacity to underwrite a total amount of Tk. 2,500,000,000 (Taka Two Hundred and Fifty Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 25,000,000.00 (Taka Two Crore Fifty Lac only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. | Name of the Company | Underwritten (in BDT) |
|--------------|--------------------------------------|-----------------------|
| 1 | Nahee Aluminum Composite Panel Ltd. | 22,500,000.00 |
| 2 | New Line Clothings Limited | 45,000,000.00 |
| 3 | Ratanpur Steel Re-Rolling Mills Ltd. | 50,000,000.00 |
| Total | | 117,500,000.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Muhammad Husain Ahmad Faruqi
Chief Executive Officer (CC)

Place: Dhaka

Date: November 21, 2017

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(MTB CAPITAL LIMITED)

[Rule 4 (1)(d)]

To

The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 280,900,000.00 (Taka twenty eight crore and nine lac) only and we have the capacity to underwrite a total amount of Tk. 1,404,500,000.00 (Taka one hundred forty crore forty five lac) only as per relevant legal requirements. We have committed to underwrite for up to 20,000,000.00 (Twenty million only) only for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl# | Name of the issue | Amount underwritten |
|--------------|---|-----------------------|
| 01 | Summit Shipping Limited | 52,500,000.00 |
| 02 | SBS Cables Limited | 13,600,000.00 |
| 03 | Madina Cement Ind. Ltd. | 78,375,000.00 |
| 04 | Silco Pharmaceutical Ltd. | 26,250,000.00 |
| 05 | AB Bank Limited | 100,000,000.00 |
| 06 | Ratanpur Steel Re-rolling Mills Limited | 50,000,000.00 |
| 07 | Zaheen Spinning Limited | 257,763,500.00 |
| 08 | Bashundhara Paper Mills Ltd. | 50,000,000.00 |
| Total | | 628,488,500.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khairul Bashar Abu Taher Mohammed

Chief Executive Officer & EVP

MTB Capital Limited

Date: November 21, 2017

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(BMSL INVESTMENT LIMITED)

[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 42,00,00,000 (Forty Two Crore Only) and we have the capacity to underwrite a total amount of Tk. 210,00,00,000 (Two Hundred Ten Crore Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 20,000,000.00 (Two Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl | Name of the company | Amount Underwritten (In Tk.) |
|----|--|------------------------------|
| 1 | Dhaka Regency Hotel & Resorts Ltd. | 21,000,000.00 |
| 2 | Bashundhara Paper Mills Ltd. | 50,000,000.00 |
| 3 | Delta Hospital Ltd | 8,000,000.00 |
| 4 | Advent Pharma Ltd. | 15,000,000.00 |
| 5 | M.L. Dyeing Ltd. | 10,000,000.00 |
| 6 | Esquire Knit Composit Ltd. | 20,000,000.00 |
| 7 | SK Trims & Industries Ltd. | 25,000,000.00 |
| 8 | S. S. Steel Mills Ltd. | 50,000,000.00 |
| 9 | Ashuganj Power Station Co. Ltd. (Bond) | 5,000,000.00 |
| 10 | Lub-rref (Bangladesh) Ltd. | 30,000,000.00 |

| | | |
|--------------|--------------------------------------|-----------------------|
| 11 | AB Bank Ltd. | 50,000,000.00 |
| 12 | CMC Kamal Textile Mills Ltd. | 100,000,000.00 |
| 13 | Ratanpur Steel Re-Rolling Mills Ltd. | 50,000,000.00 |
| Total | | 434,000,000.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Md. Riyad Matin

Managing Director

BMSL Investment Limited

Date: 23 November 2017

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(CAPM ADVISORY LIMITED)

[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 100,000,000.00 (One Hundred Million only) and we have the capacity to underwrite a total amount of Tk. 500,000,000.00 (Five Hundred Million only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 20,000,000.00 (Two Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. | Name of the Company | Amount Underwritten (TK.) |
|--------------|---|---------------------------|
| 1 | Ratanpur Steel Re-Rolling Mills Limited | 50,000,000 |
| 2 | CMC Kamal Textile Mills Ltd. | 100,000,000 |
| 3 | IFAD Autos Limited | 30,000,000 |
| 4 | Advent Pharma Limited | 20,000,000 |
| 5 | LankaBangla Finance Limited | 55,693,920 |
| 6 | AB Bank Limited | 150,000,000 |
| 7 | Delta Hospital Limited | 8,000,000 |
| Total | | 41,36,93,920 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Tania Sharmin

Managing Director & CEO

CAPM Advisory Limited

Place: Dhaka

Date: November 21, 2017

DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(EXIM ISLAMI INVESTMENT LIMITED)

[Rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 30,000,000 Ordinary Shares of Tk. 300,000,000.00 by Silva Pharmaceuticals Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,000,000,000.00 (One Hundred Crore only) and we have the capacity to underwrite a total amount of Tk. 5,000,000,000.00 (Five Hundred Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 20,000,000.00 (Two Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

| Sl. | Name of the Company | Amount Underwritten (TK.) |
|--------------|------------------------------------|---------------------------|
| 1 | Metrocem Cement Ltd. | 50,000,000.00 |
| 2 | Ananda Shipyard & Slipways Limited | 18,180,000.00 |
| Total | | 68,180,000.00 |

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Abu Hena Md. Mohsin

Chief Executive Officer

EXIM Islami Investment Limited


Date: November 29, 2017

CHAPTER (IV)

ABOUT THE ISSUER

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars of the Company:

| Particulars | Description |
|---|--|
| Name of the Issuer | : Silva Pharmaceuticals Limited (SPL) |
| Dates of Incorporation | : April 24, 2001 & Reg. No. CH-42959(2318)/2001 |
| Date of Commencement of its Commercial Operations | : 1-Jul-2003 |
| Logo | :  Silva Pharmaceuticals Limited সিলভা ফার্মাসিউটিক্যালস্ লিমিটেড |
| Registered & Corporate Office | : House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. |
| | : Tel: +88-02-8129915, +88-02-9146009 |
| | : Fax: +88-02-9146013 |
| Factory | : 1. Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali-Rented factory building & 2. Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali-Owned factory building. |
| | : Tel: +88-0321-63301, +88-0321-63302 |
| Contact Person | : Md. Iqbal Hossain Company Secretary |
| Website Address | : Web: www.silvapharma.com |
| E-mail Address | : Email: info@silvapharma.com |

- (b) The names of the sponsors and directors of the issuer:

Name of the Sponsors and Directors:

Sponsors:

| Sl. No | Sponsors |
|--------|-------------------------------|
| 1 | Md. Anwar Mirza |
| 2 | Mrs. Sajeda Mirza |
| 3 | Dr. Shibli Mirza |
| 4 | Mr. A. R. Hassan Mirza |
| 5 | Mrs. Silvana Mirza |
| 6 | Mrs. Samina Mirza |
| 7 | Mrs. Farhana Mirza |
| 8 | Al-Amin Bread & Biscuits Ltd. |

Directors:

| Sl. No. | Director | Designation |
|---------|--|------------------------------|
| 1 | Mrs. Silvana Mirza | Chairman |
| 2 | Mrs. Samina Mirza | Director |
| 3 | Mrs. Farhana Mirza | Director |
| 4 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Director |
| 5 | Dr. Saira Khan | Director & Managing Director |
| 6 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director |
| 7 | Md. Musfiqur Rahman FCA | Independent Director |
| 8 | Tanha Zarrin Ahmed | Independent Director |

- (c) The name, logo and address of the auditors and registrar to the issue along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:



Particulars of Auditor and Registrar to the Issue:**Auditor:**

| Particulars | Description |
|------------------|---|
| Name | : Mahfel Huq & Co. Chartered Accountants |
| Logo | :  Mahfel Huq & Co. Chartered Accountants |
| Address | : 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000. |
| Telephone Number | : +88-02-9553143 |
| Fax Number | : +88-02-9571005 |
| Contact Person | : Howlader Mahfel Huq, FCA <i>Managing Partner</i> |
| Website Address | : www.mahfelhuq.com |
| E-mail Address | : mahfelcofca@yahoo.com |

Registrar to the Issue is not applicable for SPL.


- (d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

Name of the Stock Exchanges where the Securities to be listed:

| | | | |
|-----------------|--|--|--|
| Stock Exchanges | Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000. |  | Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 |
| | Chittagong Stock Exchange Ltd. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100. |  | Tel: +880-2-9513911-15 Fax: +880-2-9513906 |

CHAPTER (V)

CORPORATE DIRECTORY OF THE ISSUER

| | | |
|---|---|--|
| Name of the Company | : | Silva Pharmaceuticals Limited (SPL) |
| Logo | : |  Silva Pharmaceuticals Limited সিলভা ফার্মাসিউটিক্যালস লিমিটেড |
| Legal Position | : | SPL was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. CH-42959(2318)/2001 dated on April 24, 2001 by the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh. The Company Converted into public Limited company on April 22, 2014. |
| Date of Incorporation | : | April 24, 2001 & Reg. No. CH-42959(2318)/2001 |
| Date of Commencement of its Commercial Operations | : | 1-Jul-2003 |
| Authorized Capital | : | Tk. 1,500,000,000 divided into 150,000,000 Ordinary Share of Tk. 10.00 each |
| Paid up Capital | : | Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each |
| Registered & Corporate Office | : | House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. |
| | : | Tel: +88-02-8129915, +88-02-9146009 |
| | : | Fax: +88-02-9146013 |
| | : | Email: info@silvapharma.com Web: www.silvapharma.com |
| Factory | : | Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali-Rented factory building & Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali-Owned factory building. |
| | : | Tel: +88-0321-63301, +88-0321-63302 |
| Board of Directors | : | 1. Mrs. Silvana Mirza, 2. Mrs. Samina Mirza, 3. Mrs. Farhana Mirza, 4. Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB), 5. Dr. Saira Khan, 6. Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd., 7. Md. Musfiqur Rahman FCA and 8. Tanha Zarrin Ahmed |
| Auditors | : | Mahfel Huq & Co., Chartered Accountants 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000. Tel: +88-02-9553143; Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com web: www.mahfelhuq.com |
| Tax Consultants | : | Al-haj Md. Ahsanullah Malek Chamber (2nd Floor), 5/5, Agrabad C/A, Badamtali, Chittagong. Tel: +88-031-727578 E-mail: ahsan2571@gmail.com |
| Banker for IPO | : | Shahjalal Islami Bank Limited |
| Banker of the Company | : | NCC Bank Limited, National Bank Limited, Dutch Bangla Bank Limited, Union Bank Limited, Al-Arafah Islami Bank Limited, Jamuna Bank Limited, Sonali Bank Limited |
| Compliance Officer | : | Md. Abul Kasem, <i>Chief Financial Officer</i> |

The Company has no Legal Advisor.

CHAPTER (VI)

DESCRIPTION OF THE ISSUER

(a) Summary:

- (i) **The summary of the industry and business environment of the issuer. The summary shall not be one-sided or biased to highlight the issuer or the issue;**

Summary of the industry:

Pharmaceutical is the core of Bangladesh's Healthcare sector and serves as one of the most important manufacturing industry. With a history since 1950s, the industry has now turned one of the most successful pharmaceuticals manufacturing industry among the developing countries. The skills and knowledge of the professionals and innovative ideas of the people involved in this industry are the key factors for these developments. 20 years ago, 75% of the drugs needed to be imported. Now, only 2% of the drugs are imported, the remaining 98% come from local companies. Since the promulgation of Drug Policy in 1982, the sector has grown from BDT 1730 mn to more than BDT 160 bn (\$2.0 bn).

There are more than 437 registered small, medium, large scales, local and multinational companies operating in the country producing around 98% of the total internal demand. The remaining 2% basically constitute import of much-specialized products like vaccines, anti-cancer products and hormone drugs. The industry manufactured about 1,500 types of medicine which includes about 22,000 brands of medicines in different dosage forms. About 1% of the total GDP and the Pharmaceutical Industry of Bangladesh has come a long way in the past four decades and has already established itself in domestic as well as international market. The industry contributes e second largest industry in terms of contribution to government's exchequer.

In the year 2015-2016 Bangladesh pharmaceuticals market size was Tk. 15,600 Crore. Insiders of the industry apprehend that by the year 2024 Bangladesh pharmaceuticals market size will be Tk. 30,300 Crore. Bangladesh Pharmaceutical Industry is now self-sufficient in meeting the local demand. Bangladesh pharmaceuticals industry is enjoying good number of macroeconomic factors as competitive advantages like favorable government policy, comfortable size of local market for 16 Crore populations, cheap labor, available technological know-how, low power costs, low costs white-collar labor etc.

Source: IMS report 06 July, 2017

Business environment:

The Issuer's business environment is conducive to the business as we have good supply of raw materials. We have skilled labors as well. The wage of labor is reasonable also. Government policy is favorable to the sector. Overall, it is a business-friendly situation.

- (ii) **Summary of consolidated financial, operating and other information.**

This information is not applicable for Silva Pharmaceuticals Limited since it has no subsidiary company.

(b) General Information:

- (i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

| Particulars | Description |
|--|--|
| Name and Registered & Corporate Office Address | Silva Pharmaceuticals Limited (SPL) House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. Tel: +88-02-8129915, +88-02-9146009 Fax: +88-02-9146013 Email: info@silvapharma.com Web: www.silvapharma.com |
| Factory | 1. Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Majjee Court, Noakhali-Rented factory building & 2. Binodpur (former Gopai Ram Sankarpur), Majjee Court, Noakhali-Owned factory building. |
| Telephone (Factory) | +88-0321-63301, +88-0321-63302 |
| Outlets of the issuer | The issuer company has no outlets. |

- (ii) The board of directors of the issuer;

| Sl. No. | Director | Designation |
|---------|--|------------------------------|
| 1 | Mrs. Silvana Mirza | Chairman |
| 2 | Mrs. Samina Mirza | Director |
| 3 | Mrs. Farhana Mirza | Director |
| 4 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Director |
| 5 | Dr. Saira Khan | Director & Managing Director |
| 6 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director |
| 7 | Md. Musfiqur Rahman FCA | Independent Director |
| 8 | Tanha Zarrin Ahmed | Independent Director |

- (iii) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;**

| Sl. | Name & Address | Telephone and Fax No. & E-mail Address |
|-----|--|---|
| 1 | Name: Mrs. Silvana Mirza Position: Chairman Korsa-De-Carena, Plat- B2, House No. Address: 57, Road No. 8/A, Dhanmondi, Dhaka-1209 | Tel: +88-02-8191336, +88-02-9146009 Fax: +88-02-9146013 E-mail: silvana.mirza@silvapharma.com |
| 2 | Name: Dr. Saira Khan Position: Director & Managing Director Road No. 114, Plot No. 35, Flat No. Address: A3, Gulshan-2, Dhaka -1212 | Tel: +88-02-8191336, +88-02-9146009 Fax: +88-02-9146013 E-mail: saira.khan@silvapharma.com |

There are no other whole time directors.

- (iv) **Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;**

| Sl. | Name & Address | Telephone and Fax No. & E-mail Address |
|-----|---|--|
| 1 | Md. Abul Kasem Chief Financial Officer & Compliance Officer <i>House # 65, Road # 8/A (New), Dhanmondi Dhaka-1209.</i> | Tel: +88-02-8129915, +88-02-9146009 Fax: +88-02-9146013 E-mail: abul.kasem@silvapharma.com |
| 2 | Md. Iqbal Hossain Company Secretary <i>House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209.</i> | Tel: +88-02-8129915, +88-02-9146009 Fax: +88-02-9146013 E-mail: iqbal@silvapharma.com |
| 3 | Mahfel Huq & Co. Chartered Accountants <i>34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000.</i> | Tel: +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com |

The Company has no legal advisor.

- v) **Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue;**

| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person |
|---|---|---|
| Prime Finance Capital Management Limited PFI Tower (6th Floor), 56-57 Dilkusha C/A, Dhaka-1000. | Tel: +88-02-9584874, +88-02-9584876-7 Fax: +88-02-9584922 E-mail: info@primefinicap.com Web: www.primefinicap.com | Md. Rezaul Haque Managing Director (CC) |
| Imperial Capital Limited Saiham Sky View Tower (3rd Floor), 45 Bijoy Nagar, Dhaka-1000. | Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: imperialcapltd@gmail.com Web: www.imperialcapital.org | Md. Salauddin Sikder FCMA CEO & Managing Director |
| SBL Capital Management Ltd. 2, D. I. T. Avenue (Extension) 3rd Floor, Motijheel C/A Dhaka – 1000 | Tel: +88-02-9585984 Fax: +88-02-9585985 E-mail: scml2009@yahoo.com Web: www.standardbankbd.com/CapitalManagement.php | Abu Nayem Md. Ibrahim Chief Executive Officer |

Registrar to the issue:

The Company is going to IPO under Fixed Price Method. So, no registrar to the issue is required as per amendments to the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.

- (vi) **The following details of credit rating, where applicable:**

- a) **The names of all the credit rating agencies from which credit rating has been obtained;**
- b) **The details of all the credit ratings obtained for the issue and the issuer;**
- c) **The rationale or description of the ratings(s) so obtained, as furnished by the credit rating agency(s);**
- d) **Observations and risk factors as stated in the credit rating report.**

As per Section 3 of Credit Ratings Companies Rules, 1996, no credit rating report is required by the Company.

(vii) Following details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

| Name & Address | Telephone & Fax Number, E-mail, Web Address | Contact Person | Amount Underwritten |
|--|---|---|---------------------|
| AIBL Capital Management Limited Peoples Insurance Bhaban (7th Floor) 36 Dilkusha C/A, Dhaka-1000. | Tel: +88-02-9551962, +88-02-7123255-7 Fax: +88-02-9575379 E-mail: husain.ahmad@al-arafahbank.com Web: al-arafahbank.com | Muhammad Husain Ahmad Faruqi Chief Executive Officer (CC) | 25,000,000 |
| MTB Capital Limited MTB Tower (Level 3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka 1000 | Tel: +88-02-8321760 Fax: +88-02-8321543 E-mail: khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com | Khairul Bashar Abu Taher Mohammed Chief Executive Officer | 20,000,000 |
| BMSL Investment Limited Shareef Mansion (4th Floor) 56-57 Motijheel C/A Dhaka-1000. | Tel: +88-02-9577651, +88-02-9570624, +88-02-9565183 Fax: +88-02-47117218 E-mail: info@bmslinvestment.com Web: www.bmslinvestment.com | Md. Riyad Matin Managing Director | 20,000,000 |
| CAPM Advisory Limited Tower Hamlet (9th Floor) 16, Kemal Ataturk Avenue Banani C/A, Dhaka-1213. | Tel: +88-02-9822391-2 Fax: +88-02-9822393 E-mail: contact@capmadvisorybd.com Web: www.capmadvisorybd.com | Tania Sharmin Managing Director & CEO | 20,000,000 |
| EXIM Islami Investment Ltd. Printer's Building (5th Floor) 5 Rajuk Avenue, Motijheel C/A, Dhaka-1000. | Tel: +88-02-9561604 Fax: +88-02-9561937 Email: eiril@eximbankbd.com Web: www.eximbankbd.com/about/eiril | Md. Mizanur Rahman First Assistant Vice President | 20,000,000 |
| Total | | | 105,000,000 |

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations which are disclosed in CHAPTER (III) under Due Diligence Certificate by the Underwriter(s) page number 27-36.

c) Major terms and conditions of the underwriting agreements.

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

(c) Capital Structure:

- (i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

| Particulars | No. of Securities | Class of Securities | Allotment | | Nominal & Issue Price (Tk.) | Form of Consideration | Amount in Taka |
|--|--------------------|-----------------------|-----------|-------------|-----------------------------|-----------------------|----------------------|
| | | | Dates | Amount | | | |
| Authorized Capital | 150,000,000 | Ordinary Share | - | - | 10.00 | - | 1,500,000,000 |
| Before IPO: | | | | | | | |
| Issued, Subscribed and paid up capital | 100,000,000 | Ordinary Share | 24-Apr-01 | 2,000,000 | 100.00 | Cash | 1,000,000,000 |
| | | | 20-Jun-02 | 19,000,000 | 100.00 | Cash | |
| | | | 21-Jun-03 | 30,000,000 | 100.00 | Cash | |
| | | | 20-Aug-04 | 69,000,000 | 100.00 | Cash | |
| | | | 30-Sep-15 | 380,000,000 | 10.00 | Cash | |
| | | | 24-Jul-16 | 150,000,000 | 10.00 | Cash | |
| | | | 20-Feb-17 | 350,000,000 | 10.00 | Cash | |
| After IPO: | | | | | | | |
| To be issued through IPO | 30,000,000 | Ordinary Share | - | - | 10.00 | Cash | 300,000,000 |
| Paid up capital (Post IPO) | 130,000,000 | Ordinary Share | - | - | 10.00 | Cash | 1,300,000,000 |

Notes: The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 22, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

(ii) **Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);**

| Particulars | | | Percentage | No. of Ordinary Shares | Nominal Value | Issue price | Issue Amount (Taka) |
|--|------------------------|-----------------------------------|-------------|------------------------|---------------|-------------|---------------------|
| Initial Public Offering through Fixed Price Method | Eligible Investor (EI) | Mutual Funds and CIS | 10% | 3,000,000 | 10.00 | 10.00 | 30,000,000 |
| | | EI excluding mutual funds and CIS | 40% | 12,000,000 | | | 120,000,000 |
| | General Public (GP) | NRB | 10% | 3,000,000 | | | 30,000,000 |
| | | GP excluding NRB * | 40% | 12,000,000 | | | 120,000,000 |
| Total | | | 100% | 30,000,000 | | | 300,000,000 |

Other*: 12,000,000 Ordinary shares will be reserved for General Public excluding NRB and Small Affected Investors.

(iii) **Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);**

The Company has no convertible instruments and share premium account.

| Particulars | Amount in BDT |
|--|---------------|
| Paid up capital before the present issue | 1,000,000,000 |
| Paid up capital after the present issue | 1,300,000,000 |
| Paid up capital after conversion of convertible instruments (if any) | N/A |
| Share premium account before the present issue | N/A |
| Share premium account after the present issue | N/A |

- (iv) **Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);**

The paid-up capital of the Company is Tk. 1,000,000,000.00. The Company intends to issue 30,000,000 ordinary shares of Tk. 10.00 each at an issue price of Tk. 10.00 through Initial public offering (IPO) totaling to Tk. 300,000,000.00 under Fixed Price Method subject to regulatory approvals. The Company has no convertible instrument.

Category wise shareholding structure with percentage before and after the present issue is as follows:

| Sl. No. | Category of Shareholders | No. of Ordinary Shares Hold | | Percentage of Holding | |
|--------------|----------------------------------|-----------------------------|--------------------|-----------------------|----------------|
| | | Pre-IPO | Post-IPO | Pre-IPO | Post-IPO |
| 1 | Director & Sponsor | 69,540,000 | 69,540,000 | 69.54% | 53.49% |
| 2 | Institutional | 5,000,000 | 17,000,000 | 5.00% | 13.08% |
| 3 | Mutual Funds and CIS | - | 3,000,000 | 0.00% | 2.31% |
| 4 | Individual | 25,460,000 | 37,460,000 | 25.46% | 28.82% |
| 5 | Non Resident Bangladeshis (NRBs) | - | 3,000,000 | 0.00% | 2.31% |
| Total | | 100,000,000 | 130,000,000 | 100.00% | 100.00% |

- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The issuer has not issued equity shares under one or more employee stock option schemes.

- (viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

The issuer has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

| Name & Position | Nature of Issue | Date of Allotment and Acquisition & date of shares fully paid-up | No. of shares | Face Value & Issue Price | Consideration | Pre IPO % | Post IPO % | Lock in Period* | Number & % of pledge of shares |
|--|-----------------|--|-------------------|--------------------------|---------------|-----------|------------|-----------------|--------------------------------|
| Name: Mrs. Silvana Mirza Position: Chairman | Ordinary | 24-Apr-01 | 10,000 | 10.00 | Cash | 2.91% | 2.24% | 3 Yrs | No Pledge |
| | | 21-Jun-03 | 1,000,000 | | Cash | | | | |
| | | 30-Sep-15 | 900,000 | | Cash | | | | |
| | | 12-Mar-17 | 1,000,000 | | Cash | | | | |
| | | Total | 2,910,000 | | | | | | |
| Name: Mrs. Samina Mirza Position: Director | Ordinary | 24-Apr-01 | 10,000 | 10.00 | Cash | 2.91% | 2.24% | 3 Yrs | No Pledge |
| | | 21-Jun-03 | 1,000,000 | | Cash | | | | |
| | | 30-Sep-15 | 900,000 | | Cash | | | | |
| | | 12-Mar-17 | 1,000,000 | | Cash | | | | |
| | | Total | 2,910,000 | | | | | | |
| Name: Mrs. Farhana Mirza Position: Director | Ordinary | 24-Apr-01 | 10,000 | 10.00 | Cash | 2.91% | 2.24% | 3 Yrs | No Pledge |
| | | 21-Jun-03 | 1,000,000 | | Cash | | | | |
| | | 30-Sep-15 | 900,000 | | Cash | | | | |
| | | 12-Mar-17 | 1,000,000 | | Cash | | | | |
| | | Total | 2,910,000 | | | | | | |
| Name: Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) Position: Director | Ordinary | 20-Feb-17 | 30,000,000 | 10.00 | Cash | 30.00% | 23.08% | 3 Yrs | No Pledge |
| | | Total | 30,000,000 | | | | | | |
| Name: Dr. Saira Khan Position: Director & Managing Director | Ordinary | 20-Feb-12 | 20,000 | 10.00 | Cash | 6.97% | 5.36% | 3 Yrs | No Pledge |
| | | 30-Sep-15 | 2,000,000 | | Cash | | | | |
| | | 24-Jul-16 | 4,000,000 | | Cash | | | | |
| | | 12-Mar-17 | 950,000 | | Cash | | | | |
| | | Total | 6,970,000 | | | | | | |

| | | | | | | | | | |
|---|------------------|--------------|------------------|-------|------|-------|-------|-------|-----------|
| Name: Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. Position: Director | Ordinary | 20-Jun-02 | 500,000 | 10.00 | Cash | 5.09% | 3.92% | 3 Yrs | No Pledge |
| | | 30-Sep-15 | 590,000 | | | | | | |
| | | 24-Jul-16 | 4,000,000 | | | | | | |
| | | Total | 5,090,000 | | | | | | |
| Name: Md. Musfiqur Rahman FCA Position: Independent Director | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Name: Tanha Zarrin Ahmed Position: Independent Director | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Name: Md. Anwar Mirza Position: Sponsor | Ordinary | 24-Apr-01 | 60,000 | 10.00 | Cash | 4.85% | 3.73% | 3 Yrs | No Pledge |
| | | 20-Jun-02 | 400,000 | | Cash | | | | |
| | | 20-Aug-04 | 2,484,000 | | Cash | | | | |
| | | 15-Nov-09 | (600,000) | | Cash | | | | |
| | | 20-Feb-12 | (294,000) | | Cash | | | | |
| | | 30-Sep-15 | 4,300,000 | | Cash | | | | |
| | | 12-Mar-17 | (1,500,000) | | Cash | | | | |
| | | Total | 4,850,000 | | | | | | |
| Name: Mrs. Sajeda Mirza Position: Sponsor | Ordinary | 24-Apr-01 | 30,000 | 10.00 | Cash | 4.95% | 3.81% | 3 Yrs | No Pledge |
| | | 20-Aug-04 | 552,000 | | Cash | | | | |
| | | 15-Nov-09 | 640,000 | | Cash | | | | |
| | | 20-Feb-12 | (122,000) | | Cash | | | | |
| | | 30-Sep-15 | 4,700,000 | | Cash | | | | |
| | | 12-Mar-17 | (850,000) | | Cash | | | | |
| Total | 4,950,000 | | | | | | | | |
| Name: Dr. Shibli Mirza Position: Sponsor | Ordinary | 24-Apr-01 | 20,000 | 10.00 | Cash | 4.00% | 3.08% | 3 Yrs | No Pledge |
| | | 20-Aug-04 | 1,932,000 | | Cash | | | | |
| | | 20-Feb-12 | (152,000) | | Cash | | | | |
| | | 30-Sep-15 | 2,900,000 | | Cash | | | | |
| | | 12-Mar-17 | (700,000) | | Cash | | | | |
| Total | 4,000,000 | | | | | | | | |
| Name: Mr. A. R. Hassan | Ordinary | 24-Apr-01 | 20,000 | 10.00 | Cash | 4.95% | 3.81% | 3 Yrs | No Pledge |

| | | | | | | | | | |
|--|----------|--------------|------------------|-------|------|-------|-------|-------|-----------|
| Mirza Position: Sponsor | | | | | | | | | |
| | | 20-Aug-04 | 1,932,000 | | Cash | | | | |
| | | 20-Feb-12 | (152,000) | | Cash | | | | |
| | | 30-Sep-15 | 4,900,000 | | Cash | | | | |
| | | 12-Mar-17 | (1,750,000) | | Cash | | | | |
| | | Total | 4,950,000 | | | | | | |
| Name: Al-Amin Bread & Biscuits Ltd. Position: Sponsor | Ordinary | 24-Apr-01 | 40,000 | 10.00 | Cash | 0.00% | 0.00% | 3 Yrs | No Pledge |
| | | 15-Nov-09 | (40,000) | | Cash | | | | |
| | | Total | - | | | | | | |

The Company split its share from Tk. 100.00 to Tk. 10.00 on April 22, 2014.

*[*From the issue date of Prospectus]*

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

Aggregate shareholding of the Sponsors and Directors:

| Sl. | Name of Sponsor & Director | Number of Ordinary Shares Held | Face Value & Issue Price | Date of acquisition | Percentage | |
|--------------|--|--------------------------------|--------------------------|---------------------|---------------|---------------|
| | | | | | Pre-IPO | Post-IPO |
| 1 | Mrs. Silvana Mirza | 2,910,000 | 10.00 | 24-Apr-01 | 2.91% | 2.24% |
| 2 | Mrs. Samina Mirza | 2,910,000 | 10.00 | 24-Apr-01 | 2.91% | 2.24% |
| 3 | Mrs. Farhana Mirza | 2,910,000 | 10.00 | 24-Apr-01 | 2.91% | 2.24% |
| 4 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | 30,000,000 | 10.00 | 20-Feb-17 | 30.00% | 23.08% |
| 5 | Dr. Saira Khan | 6,970,000 | 10.00 | 20-Aug-04 | 6.97% | 5.36% |
| 6 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | 5,090,000 | 10.00 | 24-Apr-01 | 5.09% | 3.92% |
| 7 | Md. Musfiqur Rahman FCA | - | 10.00 | - | 0.00% | 0.00% |
| 8 | Tanha Zarrin Ahmed | - | 10.00 | - | 0.00% | 0.00% |
| 9 | Md. Anwar Mirza | 4,850,000 | 10.00 | 24-Apr-01 | 4.85% | 3.73% |
| 10 | Mrs. Sajeda Mirza | 4,950,000 | 10.00 | 24-Apr-01 | 4.95% | 3.81% |
| 11 | Dr. Shibli Mirza | 4,000,000 | 10.00 | 24-Apr-01 | 4.00% | 3.08% |
| 12 | Mr. A. R. Hassan Mirza | 4,950,000 | 10.00 | 24-Apr-01 | 4.95% | 3.81% |
| 13 | Al-Amin Bread & Biscuits Ltd. | - | 10.00 | 24-Apr-01 | 0.00% | 0.00% |
| Total | | 69,540,000 | | | 69.54% | 53.49% |

Transferred by the sponsor and/or by the directors of the issuer:

The following shares are transferred by the sponsor and/or by the directors of the Silva Pharmaceuticals Limited and their related parties within six months immediate preceding the date of filing the prospectus:

| Transferee | No. of Shares | Date of Transfer | Transferor | No. of Shares |
|-------------------------------------|---------------|------------------|--------------------|---------------|
| Md. Anwar Mirza | (1,500,000) | 12-Mar-17 | Mrs. Silvana Mirza | 700,000 |
| | | | SR Trading | 800,000 |
| Mrs. Sajeda Mirza | (850,000) | 12-Mar-17 | SR Trading | 850,000 |
| Dr. Shibli Mirza | (700,000) | 12-Mar-17 | Mrs. Silvana Mirza | 300,000 |
| | | | Mrs. Samina Mirza | 400,000 |
| Mr. A. R. Hassan Mirza | (1,750,000) | 12-Mar-17 | Mrs. Samina Mirza | 600,000 |
| | | | Mrs. Farhana Mirza | 200,000 |
| | | | Dr. Saira Khan | 950,000 |
| Al Amin Agro Fisheries Complex Ltd. | (1,150,000) | 12-Mar-17 | Mrs. Farhana Mirza | 800,000 |
| | | | SR Enterprise | 350,000 |

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

| Sl. | Name of the Shareholders | Address | Number of Shares Held | Pre IPO % |
|-----|--|--|-----------------------|-----------|
| 1 | Adarsha Fisheries & Poultry Farm Ltd. | Subornachar, Maijdee, Noakhali | 5,090,000 | 5.09% |
| 2 | Dr. Saira Khan | House No. 35, Road No. 114, Gulshan-2, Dhaka | 6,970,000 | 6.97% |
| 3 | Investment Corporation of Bangladesh (ICB) | 8, DIT Avenue (Level 14-17), Dhaka. | 30,000,000 | 30.00% |

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

There is no employee in Silva Pharmaceuticals Limited who holds any shares of the Company except the following:

| Sl. | Name of the Shareholders | Address | Designation | No. of Ordinary Share | Pre-IPO |
|-----|------------------------------|--|-------------------|-----------------------|---------|
| 1 | Dr. Saira Khan | House No. 35, Road No. 114, Gulshan-2, Dhaka | Managing Director | 6,970,000 | 6.97% |
| 2 | Mr. Iqbal Hossain | Sonapur, Sadar, Noakhali | Company Secretary | 110,000 | 0.11% |
| 3 | Mr. Mozammel Hossain | Lakshminarayanpur, Sadar, Noakhali. | Asst. Manager | 55,000 | 0.06% |
| 4 | Md. Ziaul Hoque | Denayetpur, Roypur Pouroshava, Roypur, Lakshmipur. | Deputy Manager | 55,000 | 0.06% |
| 5 | Md. Nazmul Hoque | Denayetpur, Roypur Pouroshava, Roypur, Lakshmipur. | Asst. Manager | 55,000 | 0.06% |
| 6 | Mr. Khurshid Ahmmed Siddique | 10/20, tajmohol Road, Mohammadpur, Dhaka. | Deputy Manager | 380,000 | 0.38% |

(d) Description of Business:

- (i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

Silva Pharmaceuticals Limited was incorporated as a Private Limited Company on April 24, 2001 and subsequently converted into a Public Limited Company on April 22, 2014 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is CH-42959(2318)/2001.

The Company started its commercial operation on July 01, 2003.

SPL has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti-inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local market. SPL has earned a reputation as a successful medicine manufacturer over the last few years.

There is no subsidiary company of SPL.

- (ii) Location of the project;**

SPL's factory is situated at Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali-Rented factory building & Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali-Owned factory building and registered & corporate office is situated at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh-Rented factory building.

- (iii) Plant, machinery, technology, process, etc.**

Silva Pharmaceuticals Limited has been using sophisticated machineries and modern technology in order to produce high quality of medicine. Market has been growing up and the Company has good opportunity to maximize market share.

- (iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;**

| | |
|-----------------------|--|
| History of the issuer | On April 24, 2001 incorporated as a Private Limited Company. |
| | Converted into a Public Limited Company on April 22, 2014. |
| Launching of plant | On July 01, 2003 |
| Capacity (yearly) | Tablet: 198.00 Million Pcs. |
| | Capsule: 52.00 Million Pcs. |
| | Liquid: 1.80 Million Ph. |
| | Dry Syrup: 0.22 Million Ph. |

| | |
|--|---|
| Products | Medicine |
| Market for the product | Local market in Bangladesh |
| Change in ownership/key management personnel | <p>The followings Directors have been appointed;</p> <p>1. On March 12, 2017:</p> <p>Dr. Saira Khan, appointed as Managing Director for the period of 3 (Three) years; and</p> <p>Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd., appointed as Director.</p> <p>2. On 25 May 2017, Md. Musfiqur Rahman FCA & Tanha Zarrin Ahmed appointed as Independent Director for the period of 3 (Three) years.</p> |

- (v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

Principal Products of SPL: The Company has following products:

1. Tablet;
2. Capsule;
3. Liquid &
4. Dry Syrup

Product details are given below:

1. Non-Biological Product:

| Sl. | Brand Name | Generic Name | Dosage form | Strength | DAR No. | Valid Upto |
|-----|--------------|--------------------------------------|-----------------|--------------|-------------|------------|
| 01. | Aerofen | Ketotifen Fumarate INN | Tablet | 1.38mg | 317-90-18 | 30.07.2019 |
| 02. | Aerofen | Ketotifen Fumarate INN | Syrup | 27.60mg | 317-91-021 | 30.07.2019 |
| 03. | Alvolex | Salbutamol USP | Syrup | 48.00mg | 317-46-18 | 08.11.2018 |
| 04. | Ambosil | Ambroxol Hydrochloride BP | Syrup | 300mg | 317-117-031 | 12.06.2020 |
| 05. | Ambosil | Ambroxol Hydrochloride BP | Pediatric Drops | 600mg | 317-118-40 | 12.06.2020 |
| 06. | Anfasil-50 | Fluconazole (Compacted) INN | Capsule | 50mg | 317-66-62 | 20.04.2020 |
| 07. | Anfasil-150 | Fluconazole (Compacted) INN | Capsule | 150mg | 317-67-62 | 20.04.2019 |
| 08. | Anfasil | Fluconazole INN | Suspension | 1.00gm | 317-68-62 | 20.04.2019 |
| 09. | Arnex | Naproxen Sodium USP | Tablet | 550mg | 317-120-65 | 05.08.2020 |
| 10. | Atechlor-100 | Atenolol BP + Chlorthalidone USP | Tablet | 100mg + 25mg | 317-137-25 | 06-03-2021 |
| 11. | Atechlor-50 | Atenolol BP + Chlorthalidone USP | Tablet | 50mg + 25mg | 317-138-25 | 06.03.2021 |
| 12. | Actisal-1 | Levosalbutamol INN | Tablet | 1mg | 317-156-18 | 13.06.2021 |
| 13. | Actisal-2 | Levosalbutamol INN | Tablet | 2mg | 317-157-18 | 13.06.2021 |
| 14. | Actisal | Levosalbutamol INN | Syrup | 1mg/5ml | 317-158-18 | 13.06.2021 |
| 15. | Calsil-500 | Calcium Carbonate USP | Tablet | 500mg | 317-35-67 | 09.11.2022 |
| 16. | Cesil | Cetirizine Dihydrochloride BP | Tablet | 10mg | 317-38-021 | 09.11.2022 |
| 17. | Cesil | Cetirizine Dihydrochloride BP | Syrup | 100mg | 317-39-28 | 09.11.2022 |
| 18. | Clovera | Dicycloverine Hydrochloride BP | Syrup | 10mg/5ml | 317-133-18 | 06.03.2021 |
| 19. | Domsil | Domperidone Maleate BP | Tablet | 10mg | 317-40-018 | 09.11.2022 |
| 20. | Domsil | Domperidone Maleate BP | Syrup | 100mg | 317-41-29 | 09.11.2022 |
| 21. | Duet | Paracetamol BP +Caffeine BP | Tablet | 500mg+ 65mg | 317-123-006 | 07.01.2021 |
| 22. | Domsil DT | Domperidone BP | Tablet | 10mg | 317-142-29 | 06.03.2021 |
| 23. | Devomit | Meclizine HCl BP + Pyridoxine HCl BP | Tablet | 25mg + 50mg | 317-169-018 | 05-12-2021 |
| 24. | Esypam-0.5 | Clonazepam USP | Tablet | 0.50mg | 317-64-09 | 20.04.2019 |
| 25. | Esypam-2 | Clonazepam USP | Tablet | 2mg | 317-65-09 | 20.04.2019 |

| | | | | | | |
|-----|----------------|------------------------------------|------------|--------|-------------|------------|
| 26. | Esypan | Clonazepam USP | Oral Drops | 0.25gm | 317-182-09 | 03.10.2022 |
| 27. | Fluvas-20 | Fluvastatin Sodium (Compacted) INN | Capsule | 20mg | 317-102-17 | 02.10.2019 |
| 28. | Fluvas-40 | Fluvastatin Sodium (Compacted) INN | Capsule | 40mg | 317-103-17 | 02.10.2019 |
| 29. | Kontrol TR100 | Ketoprofen TR BP | Capsule | 100mg | 317-115-65 | 12.06.2020 |
| 30. | Kontrol TR200 | Ketoprofen TR BP | Capsule | 200mg | 317-116-65 | 12.06.2020 |
| 31. | Koreg-6.25 | Carvedilol INN | Tablet | 6.25mg | 317-81-17 | 19.06.2019 |
| 32. | Koreg-12.5 | Carvedilol INN | Tablet | 12.5mg | 317-82-17 | 19.06.2019 |
| 33. | Koreg-25 | Carvedilol INN | Tablet | 25mg | 317-83-17 | 19.06.2019 |
| 34. | Metrosil | Metronidazole BP | Suspension | 4.0gm | 317-12-56 | 03.10.2019 |
| 35. | Metlife-500 | Metformin Hydrochloride BP | Tablet | 500mg | 317-185-43 | 27-03-2020 |
| 36. | Metlife-850 | Metformin Hydrochloride BP | Tablet | 850mg | 317-186-43 | 27-03-2020 |
| 37. | Neurotin-300 | Gabapentin INN | Tablet | 300mg | 317-86-03 | 14.07.2019 |
| 38. | Neurotin-600 | Gabapentin INN | Tablet | 600mg | 317-87-03 | 14.07.2019 |
| 39. | Omesil-20 | Omeprazole 8.5% BP | Capsule | 20mg | 317-36-067 | 09.11.2022 |
| 40. | Omesil-40 | Omeprazole 8.5% BP | Capsule | 40mg | 317-37-34 | 09.11.2022 |
| 41. | Omesil Fast | Omeprazole USP | Sachet | 20mg | 317-136-34 | 06.03.2021 |
| 42. | Omesil Fast 40 | Omeprazole USP | Sachet | 40mg | 317-150-34 | 17.04.2021 |
| 43. | Omesil-20 | Omeprazole Magnesium INN | Tablet | 20mg | 317-161-34 | 13.06.2021 |
| 44. | Omesil-40 | Omeprazole Magnesium INN | Tablet | 40mg | 317-162-34 | 13.06.2021 |
| 45. | Oplor | Desloratidine INN | Tablet | 5mg | 317-121-28 | 05.08.2020 |
| 46. | Orifen | Aceclofenac BP | Tablet | 100mg | 317-125-006 | 07.01.2021 |
| 47. | Pantosil-20 | Pantoprazole INN | Tablet | 20mg | 317-170-067 | 05.12.2021 |
| 48. | Pantosil-40 | Pantoprazole INN | Tablet | 40mg | 317-171-067 | 05.12.2021 |
| 49. | Preduet | Paracetamol BP | Tablet | 500mg | 317-09-06 | 03.10.2019 |
| 50. | Preduet | Paracetamol BP | Suspension | 2.40mg | 317-10-06 | 03.10.2019 |
| 51. | Ramipress-1.25 | Ramipril BP | Tablet | 1.25mg | 317-55-24 | 20.04.2019 |
| 52. | Ramipress-2.5 | Ramipril BP | Tablet | 2.5mg | 317-56-24 | 20.04.2019 |
| 53. | RT-150 | Ranitidine Hydrochloride USP | Tablet | 150mg | 317-02-055 | 03.10.2019 |
| 54. | Sifen-50 | Diclofenac Sodium USP | Tablet | 50mg | 317-01-65 | 03.10.2019 |
| 55. | Sifen TR | Diclofenac Sodium TR BP | Capsule | 300mg | 317-33-006 | 09.11.2022 |

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|-----|-----------------|---|------------|-------------|-------------|------------|
| 56. | Sputen | Bromohexine Hydrochloride BP | Tablet | 8mg | 317-97-28 | 31.07.2019 |
| 57. | Serifen-300 | Dexibuprofen INN | Tablet | 300mg | 317-144-65 | 22.03.2021 |
| 58. | Serifen | Dexibuprofen(S-Ibuprofen) INN | Suspension | 2.00mg | 317-184-65 | 03.10.2022 |
| 59. | Sleepon-1 | Eszopiclone INN | Tablet | 1mg | 317-154-09 | 13.06.2021 |
| 60. | Sleepon-2 | Eszopiclone INN | Tablet | 2mg | 317-155-09 | 13.06.2021 |
| 61. | Safetisol | Chlorhexidine Gluconate Solution (0.5%) BP +Isopropyl Alcohol BP | Solution | 2.5ml+ 70ml | 317-183-95 | 03.10.2022 |
| 62. | Theodyl SR | Theophylline Anhydrous USP | Tablet | 400mg | 317-62-18 | 20.04.2019 |
| 63. | Timem | Tiemonium Methyl Sulphate INN | Tablet | 50mg | 317-113-011 | 10.05.2020 |
| 64. | Torolac-10 | Ketorolac Tromethamine USP | Tablet | 10mg | 317-61-064 | 20.04.2019 |
| 65. | Tralin-25 | Sertraline Hydrochloride INN | Tablet | 25mg | 317-80-11 | 19.06.2019 |
| 66. | Tralin-50 | Sertraline Hydrochloride INN | Tablet | 50mg | 317-78-11 | 31.05.2019 |
| 67. | Valpress-40 | Valsartan INN | Capsule | 40mg | 317-104-24 | 17.11.2019 |
| 68. | Valpress-80 | Valsartan INN | Capsule | 80mg | 317-75-24 | 31.05.2019 |
| 69. | Vasopin-50 Plus | Amlodipine BP + Atenolol BP | Tablet | 5mg + 50mg | 317-129-17 | 07.01.2021 |
| 70. | Xenotra | Flupentixol BP +Melitracen INN | Tablet | 0.5mg+ 10mg | 317-126-11 | 07.01.2021 |
| 71. | Z-Sil | Zinc Sulphate USP | Syrup | 549.33mg | 317-42-67 | 09.11.2022 |
| 72. | Z-Sil DT | Zinc Sulphate Monohydrate USP | Tablet | 20mg | 317-175-67 | 03.03.2022 |
| 73. | Zoxanid | Nitazoxanide INN | Suspension | 100mg/5ml | 317-143-56 | 22.03.2021 |
| 74. | Zoxanid | Nitazoxanide INN | Tablet | 500mg | 317-152-56 | 13.06.2021 |

2. **Biological Product:**

| Sl. | Brand Name | Generic Name | Dosage form | Strength | DAR No. | Valid Upto |
|-----|--------------|--|------------------------|--|-------------|------------|
| 01. | Alvital | Vitamin A (As Beta Carotene) + Vitamin E (As Vitamin E Acetate) + Vitamin C (As Ascorbic Acid) + Zinc (As Zinc Oxide) + Manganese Sulphate) + Copper (As Cupric Oxide) + Selenium (As Sodium Selenate) | Tablet | 2000 IU + 50 IU + 200mg + 15 mg + 3.00mg + 1.00mg + 70mcg | 317-134-078 | 07.03.2021 |
| 02. | Calsil Plus | Calcium Carbonate USP + Vitamin D ₃ USP | Tablet | 1250mg + 200 IU | 317-111-078 | 10.05.2020 |
| 03. | Capcee TR | Ascorbic Acid USP | Capsule | 500mg | 317-114-39 | 10.05.2020 |
| 04. | Cipronil-500 | Ciprofloxacin Hydrochloride USP | Tablet | 500mg | 317-28-023 | 09.11.2022 |
| 05. | Cipronil-750 | Ciprofloxacin Hydrochloride USP | Tablet | 750mg | 317-109-60 | 24.04.2020 |
| 06. | Cipronil XR | Ciprofloxacin Hydrochloride USP XR | Tablet | 710.026mg | 317-110-60 | 24.04.2020 |
| 07. | Cipronil | Ciprofloxacin Hydrochloride USP | Pellets for Suspension | 5.82gm | 317-112-023 | 10.05.2020 |
| 08. | Codlivit | Multivitamin Syrup with Cod Liver Oil | Syrup | 40.0000.00IU,4000.00IU,0.350g,0.014g,0.017g,0.007mg,0.03g,0.180g,2.00g | 317-153-39 | 13.06.2021 |
| 09. | Calsil M | Calcium, Vitamin D & Multimineral | Tablet | 1500mg,200IU,20.59mg,1.25mg,66.32mg,7.20mg,5.00mg | 317-174-39 | 03.03.2022 |
| 10. | Famina | Carbonyl Iron INN + Folic Acid USP + Vitamin B Complex + Vitamin C USP | Capsule | 50mg + 0.50mg + 50mg | 317-107-39 | 31.01.2020 |
| 11. | Famina Z | Carbonyl Iron INN +Folic Acid USP +ZincSulphateUSP+Vitamin B Complex + Vitamin C USP | Capsule | 50mg+0.50mg+61.80mg+ 50mg | 317-108-39 | 31.01.2020 |
| 12. | Feosil-V | Dried Ferrous Sulphate BP + Folic Acid BP + Vitamin B Complex + Vitamin C USP | Capsule | 150mg + 0.50mg + 50mg | 317-100-39 | 30.07.2019 |
| 13. | Feosil-Z | Dried Ferrous Sulphate BP + Folic Acid BP + Zinc Sulphate Monohydrate USP | Capsule | 150mg + 0.5mg + 61.8mg | 317-34-26 | 03.11.2022 |

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|-----|---------------|--|-----------------|--|-------------|------------|
| 14. | Macrozith-250 | Azithromycin Compacted USP | Capsule | 250mg | 317-50-60 | 20.04.2019 |
| 15. | Macrozith-500 | Azithromycin Compacted USP | Capsule | 500mg | 317-51-60 | 20.04.2019 |
| 16. | Macrozith | Azithromycin Ph. Grade | Suspension | 53.33gm | 317-52-023 | 20.04.2019 |
| 17. | Macrozith 500 | Azithromycin Dihydrate USP | Tablet | 500mg | 317-151-023 | 17.04.2021 |
| 18. | Multitonic | Multivitamin + Multimineral | Syrup | Multivitamin + Multimineral | 317-165-078 | 30.10.2021 |
| 19. | Multi Silver | Multivitamin Multimineral (A-Z) Silver | Tablet | Multivitamin Multimineral (A-Z) Silver | 317-166-078 | 30.10.2021 |
| 20. | Multi Gold | Multivitamin Multimineral (A-Z) Gold | Tablet | Multivitamin Multimineral (A-Z) Gold | 317-167-078 | 30.10.2021 |
| 21. | Neurex-B | Thiamine Mononitrate USP + Pyridoxine Hydrochloride USP + Cyanocobalamin USP | Tablet | 100mg + 200mg + 200mg | 317-135-078 | 07.03.2021 |
| 22. | Prenatal | Carbonyl Iron INN + Folic Acid BP + Zinc Sulphate Monohydrate USP | Capsule | 51mg + 0.50mg + 61.8mg | 317-69-39 | 31.05.2019 |
| 23. | Prentox | Beta Carotene USP + Ascorbic Acid USP + Vitamin E Acetate BP | Tablet | 30mg + 200mg + 100mg | 317-30-39 | 09.11.2022 |
| 24. | Probac 250 | Cefuroxime USP | Tablet | 250mg | 317-179-023 | 03.10.2022 |
| 25. | Probac 500 | Cefuroxime USP | Tablet | 500mg | 317-180-023 | 03.10.2022 |
| 26. | Probac | Cefuroxime USP | Suspension | 2.5mg | 317-181-023 | 03.10.2022 |
| 27. | Sicef-250 | Cephadrine Compacted BP | Capsule | 250mg | 317-119-60 | 12.06.2020 |
| 28. | Sicef-500 | Cephadrine Compacted BP | Capsule | 500mg | 317-22-023 | 09.11.2022 |
| 29. | Sicef | Cephadrine Micronized BP | Suspension | 2.50gm | 317-23-023 | 09.11.2022 |
| 30. | Sicef | Cephadrine Micronized BP | Pediatric Drops | 10gm | 317-24-60 | 09.11.2022 |
| 31. | Sicef DS | Cephadrine Micronized USP | Suspension | 5.00gm | 317-106-023 | 17.11.2019 |
| 32. | Silox-250 | Flucloxacillin Compacted BP | Capsule | 250mg | 317-70-60 | 31.05.2019 |
| 33. | Silox-500 | Flucloxacillin Compacted BP | Capsule | 500mg | 317-25-60 | 09.11.2022 |
| 34. | Supraxim-200 | Cefixime Compacted USP | Capsule | 200mg | 317-53-023 | 20.04.2019 |

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|-----|-------------|--|------------|--|-------------|------------|
| 35. | Supraxim | Cefixime Micronized USP | Suspension | 2.00gm | 317-54-023 | 20.04.2019 |
| 36. | Tivanik-250 | Levofloxacin INN | Tablet | 250mg | 317-84-60 | 14.07.2019 |
| 37. | Tivanik-500 | Levofloxacin INN | Tablet | 500mg | 317-85-60 | 14.07.2019 |
| 38. | Vitasil B | Thiamine Mononitrate BP + Riboflavin BP + Pyridoxine Hydrochloride BP + Nicotinamide BP | Tablet | 5mg + 2mg + 2mg + 20mg | 317-17-39 | 03.10.2019 |
| 39. | Vitasil B | Thiamine Hydrochloride BP + Riboflavin BP + Pyridoxine Hydrochloride BP + Nicotinamide BP | Syrup | 100mg + 54.6mg + 40mg + 400mg | 317-05-39 | 03.10.2019 |
| 40. | Vitasil M | Multivitamins & Minerals | Tablet | 0.1gm + 0.0546gm + 0.04gm + 0.40gm + 0.54933gm | 317-31-39 | 09.11.2022 |
| 41. | Triocard | Ascorbic Acid BP + Vitamin D ₃ BP + Folic Acid BP | Tablet | 400mg + 400 IU + 2.00mg | 317-124-39 | 07.01.2021 |
| 42. | Xinoplex | Thiamine Hydrochloride BP + Riboflavin BP + Pyridoxine Hydrochloride BP + Nicotinamide BP + Zinc Sulphate BP | Syrup | 0.1gm + 0.0546gm + 0.04gm + 0.40gm + 0.54933gm | 317-130-078 | 07.01.2021 |

Markets for such products or services:

All of the products' markets are throughout the Bangladesh.

Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data:

Last 5 years sales of Silva Pharmaceuticals Limited (SPL):

(Amount in BDT)

| Particulars | 12 Months | 13 Months* | For the year | | |
|-------------|-------------|-------------|--------------|-------------|-------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |

** As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.*

We do not export our product at present. However, there is good potential of business for export.

Pharmaceutical is the core of Bangladesh's Healthcare sector and serves as one of the most important manufacturing industry. With a history since 1950s, the industry has now turned one of the most successful pharmaceuticals manufacturing industry among the developing countries. The skills and knowledge of the professionals and innovative ideas of the people involved in this industry are the key factors for these developments. 20 years ago, 75% of the drugs needed to be imported. Now, only 2% of the drugs are imported, the remaining 98% come from local companies. Since the promulgation of Drug Policy in 1982, the sector has grown from BDT 1730 mn to more than BDT 160 bn (\$2.0 bn).

There are more than 437 registered small, medium, large scales, local and multinational companies operating in the country producing around 98% of the total internal demand. The remaining 2% basically constitute import of much-specialized products like vaccines, anti-cancer products and hormone drugs. The industry manufactured about 1,500 types of medicine which includes about 22,000 brands of medicines in different dosage forms. About 1% of the total GDP and the Pharmaceutical Industry of Bangladesh has come a long way in the past four decades and has already established itself in domestic as well as international market. The industry contributes e second largest industry in terms of contribution to government's exchequer.

In the year 2015-2016 Bangladesh pharmaceuticals market size was Tk. 15,600 Crore. Insiders of the industry apprehend that by the year 2024 Bangladesh pharmaceuticals market size will be Tk. 30,300 Crore. Bangladesh Pharmaceutical Industry is now self-sufficient in meeting the local demand. Bangladesh pharmaceuticals industry is enjoying good number of macroeconomic factors as competitive advantages like favorable government policy, comfortable size of local market for 16 Crore populations, cheap labor, available technological know-how, low power costs, low costs white-collar labor etc.

Source: IMS report 06 July, 2017

- (vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;

| Products | For the period ended Jun 30, 2017 | | For the period ended Jun 30, 2016 | |
|----------|-----------------------------------|--------|-----------------------------------|--------|
| | (12 Months) | | (13 months)* | |
| | Revenue (Tk.) | % | Revenue (Tk.) | % |
| Tablet | 350,448,751 | 58.17% | 376,068,608 | 59.81% |
| Capsule | 189,836,346 | 31.51% | 192,308,185 | 30.59% |

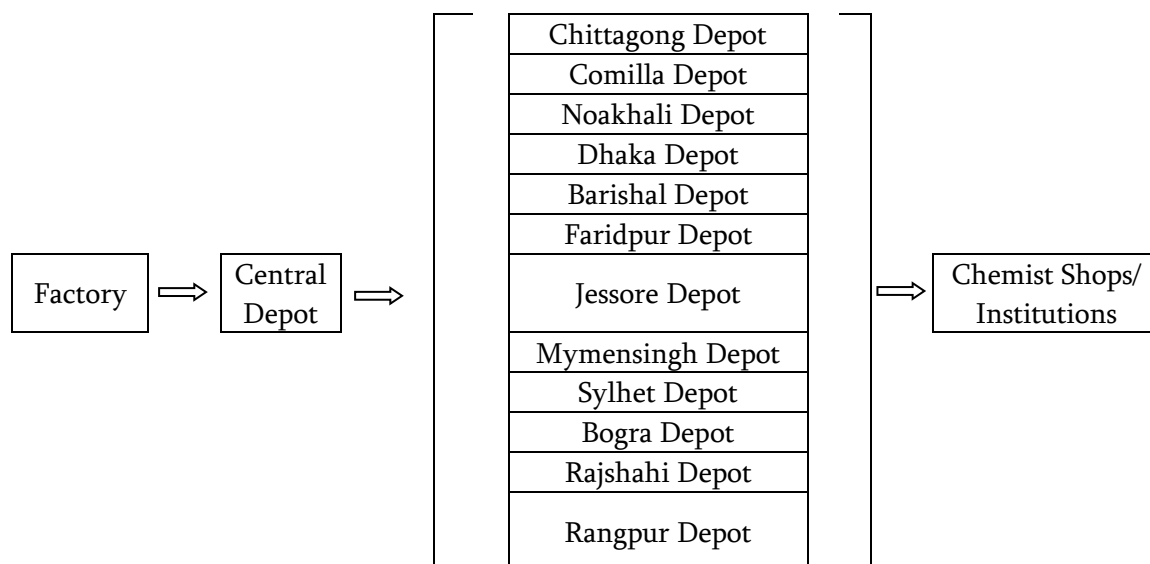
* As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.

- (vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;

Silva Pharmaceuticals Limited has no associates, subsidiary and holding company.

- (viii) How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations;

SPL has its own distribution network to distribute its products throughout the country. All products produced in the factory, are brought to the central depot at 169, Boro Mogbazar, Dhaka, then the products are sent to 13 other sales centers/depots located across the country. Company's product distribution systems are depicted below:



| Sl. No. | Name of Depot | Depot Addresses |
|---------|---------------|--|
| 1 | Chittagong | Plot # 3185, East Nasirabad, O.R. Nizam Road, Dampara, Chittagong-3800 |
| 2 | Comilla | Faruk Tower, H # 1, Race Couse, Dhanmondi Road, Comilla-3500 |
| 3 | Noakhali | Kazi Colony (Near Alamin Guest House), Maijdee-3800 |
| 4 | Dhaka | Rita Kunju, 169 Boro Mogh Bazar, Doctor's Lane, Dhaka -1217 |
| 5 | Barisal | Samir Kunja, H# 960, Uttar Sagordi, Barisal - 8200 |
| 6 | Faridpur | House # 26/2, Alauddin Khan Sarak, Alipur, Faridpur - 7800 |
| 7 | Jessore | Jessore DMO: 49, Jamie Moshjid Lane, Jessore-7400 |
| 8 | Mymensingh | Polytechni More, Maskanda, Mymensing, Mymensing-2200 |
| 9 | Sylhet | Abdul Motin Villa, Kolbakhani, H # 7, Sylhet-3100 |
| 10 | Bogra | House # 352, Panir Tanki Road, Boxi Bazar, Malotinagar, Bogra-5800 |
| 11 | Rajshahi | House# 81, Sector#02, Upashahar, Rajshahi -6002 |
| 12 | Rangpur | Dhap Sagorpara (Beside Rangpur Medical College), -5400 |

Export possibilities and export obligations:

We don't have any export obligation as we do not export. However, there is good potential of business for export.

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors;

SPL has a number of competitors and these as follows:

| Sl. No. | Name of the Company | Core area of work |
|---------|---------------------------------|------------------------|
| 01 | Orion Pharma Limited | Manufacturing medicine |
| 02 | Popular Pharmaceuticals Limited | Manufacturing medicine |
| 03 | Central Pharma Limited | Manufacturing medicine |
| 04 | Opsonin Pharma Limited | Manufacturing medicine |
| 05 | Beacon Pharmaceuticals Limited | Manufacturing medicine |
| 06 | Ziska Pharma Limited | Manufacturing medicine |

IMS in its report dated 30 June 2015, reported the following top fifteen competitors and their market share in values and percentage

| Name of the Competitors | Market share (30 June 2015) | |
|------------------------------|-----------------------------|-------|
| | Values (in BDT) | (%) |
| Square Pharmaceuticals Ltd. | 21,930,698,095 | 18.32 |
| Incepta Pharmaceuticals Ltd. | 12,355,658,045 | 10.32 |
| Beximco Pharmaceuticals Ltd. | 10,216,986,848 | 8.53 |
| Opsonin Pharma Ltd. | 6,602,671,150 | 5.52 |
| Renata Ltd. | 5,997,526,422 | 5.01 |
| Eskayef Bangladesh Ltd. | 5,373,278,479 | 4.49 |
| Aristopharma Ltd. | 5,485,190,024 | 4.58 |
| ACI Ltd. | 4,969,069,843 | 4.15 |

| | | |
|---------------------------------|---------------|------|
| The ACME Laboratories Ltd. | 4,624,965,118 | 3.86 |
| Drug International Ltd. | 3,629,945,107 | 3.03 |
| Healthcare Pharmaceuticals Ltd. | 3,662,648,632 | 3.06 |
| Novo Nordisk | 2,168,873,133 | 1.81 |
| Sanofi Aventis (BD) Ltd. | 2,398,799,630 | 2 |
| General Pharmaceuticals Ltd. | 2,419,756,889 | 2.02 |
| Popular Pharmaceuticals Ltd. | 2,113,164,442 | 1.77 |

Apart from this, as per annual report of the listed companies and audited financial statements of Silva Pharmaceuticals Limited, the sales amounts are presented below:

Amount in BDT (Million)

| Sl. | Name of the Company | Listing Status | 2016/2017 | Period/Year | Year End |
|-----|-------------------------------|----------------|-----------|----------------------------------|----------|
| 1 | Silva Pharmaceuticals Limited | Non-listed | 602.49 | From 1 Jul, 2016 to 30 Jun, 2017 | 30 Jun |

Amount in BDT (Million)

| Sl. | Name of the Company | Listing Status | 2016/2017 | Market Share (%) | Period/Year | Year End |
|-----|---|----------------|-----------|------------------|----------------------------------|----------|
| 1 | Square Pharmaceuticals Ltd. | Listed | 36,543.14 | 22.51% | From 1 Jul, 2016 to 30 Jun, 2017 | 30 Jun |
| 2 | Renata Ltd. | | 14,962.39 | 9.22% | | |
| 3 | The ACME Laboratories Ltd. | | 13,576.32 | 8.36% | | |
| 4 | ACI Ltd. | | 19,559.16 | 12.05% | | |
| 5 | The IBN SINA Pharmaceutical Industry Ltd. | | 4,009.15 | 2.47% | | |
| 6 | Orion Pharma Limited | | 9,534.35 | 5.87% | | |
| 7 | Central Pharma Limited | | 546.03 | 0.34% | | |
| 8 | Beacon Pharmaceuticals Limited | | 3,112.85 | 1.92% | | |

Market Share (%) is calculated based on listed companies' financial information available in the website of DSE.

(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

The major raw materials (both active pharmaceutical ingredients and excipients) being used by the Silva Pharmaceuticals Ltd. are listed below which the company procures from overseas market. The Company has some trusted suppliers for its materials and chemicals as under:

| SL No. | Name of the suppliers | Address | Name of the Raw Materials |
|--------|--|---|----------------------------|
| 1 | Aarti Industries Ltd | 71, Udyog Kshetra, 2nd Floor Mulund Horegaonlink Road, Mulund (W), Mumbai, India | Caffeine Anhydrous BP |
| 2 | Jiang Suhuo Tai Int'l Group Huatai Imp. & exp. Col Ltd | 19/F Huotai Building Renuning Road, Zhangjiagang City, Jiangsu Province, Chian | Ciprofloxacin HCL |
| 3 | Zim Laboratories Ltd. | B-21/22, MIDC Area, Kalmeshwar-441501, Dist: Nagpur, India. | Ciprofloxacin HCL Pellets |
| 4 | Ravoo's Laboratories Ltd. | Flat#215, Bhanu Enclave, Beside ESI Hospital, Erragadda, Hyderabad, Andhrapradesh, India-500038 | Ciprofloxacin HCL Pellets |
| 5 | Goldfish Pharma Pvt. Ltd. | 5-5-35/32B, opp NCS Complex, Prashanth Nagar, I.E. Naina Gardens Lane, Kuleat Pally, Hyderabad-500072 | Omeprazol 8.5%e/c pellets |
| 6 | Ravoo's Laboratories Ltd. | Flat#215, Bhanu Enclave, Beside ESI Hospital, Erragadda, Hyderabad, Andhrapradesh, India-500038 | Omeprazol 8.5%e/c pellets |
| 7 | Hebei Dongfeng Pharmaceuticals Co. Ltd. | The west of Yongnian Country, Handan City, Hebei, P.R of China. | Azythromycin Dihydrate USP |
| 8 | Pharmatech | House# 19, Road # 7, Dhanmondi, Dhaka | Paracetamol BP |
| 9 | Ravoo's Laboratories Ltd. | Flat#215, Bhanu Enclave, Beside ESI Hospital, Erragadda, Hyderabad, Andhrapradesh, India-500038 | Azythromycin Taste Masked |
| 10 | Zim Laboratories Ltd. | B-21/22, MIDC Area, Kalmeshwar-441501, Dist: Nagpur, India. | Azythromycin Taste Masked |
| 11 | Kores (India) Ltd. (Pharmaceuticals Div.) | C-7/1-B, TTC Industrial Area, MIDC, Pawane, Navi Mumbai-400705 | Ambroxol HCL BP |
| 12 | Divis Pharmaceuticals Pvt. Ltd. | Divi Towers, 7-1-77/E/1/303 Dharam Karan Road, Ammeerpet, Hyderabad-500016, India. | Ketorolac Tromethamine USP |
| 13 | Shree Krishna Drugs Ltd. | C-4, Industrial Area, Uppal, Hyderabad-500039, India. | Tiemonium Methysulphate BP |
| 14 | Zhejiang Supor Pharmaceuticals Co. Ltd. | Yuedong Road, Projiang Industrial Zone, Shaoxing, Zhejiang-312071, China. | Ketotifen Fumerate BP |

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|----|--|---|-----------------------------------|
| 15 | Orchid Chemicals Pharmaceuticals Ltd. | Orchid Tower, 313 Villuvar Kottom High Road, Nungambakkam-600034, India. | Cephadrine (Comp) BP |
| 16 | Nectar Lifesciences Ltd. | Plot# Phase-1, Industrial Area, Chandigarh-160002, India. | Ceffixime Trihydrate USP |
| 17 | Jiangxi Tiahrin Pharmaceutical Co. Ltd. | Leanjiang Industrial Park, Leping, Jiangxi-333300, China. | Thiamine Mononitrate BP |
| 18 | Jiangxi Sentai Phamaceuticals Ltd. | No# 5, Gongye Road, Industrial Park, Yingta City, Jiangxi Province, China. | Pyridoxine HCL BP |
| 19 | Srikem Laboratories Pvt. Ltd. | 17/24, MIDC Taloja Navi, Mumbai, India. | Meclozine HCL BP |
| 20 | Harman Finochem Ltd. | 107 A Vinay Bhavya Complex.159 A, C.S.T Road, Kalina, Santacruz East, Mumbai-400098, India. | Riboflavin 5-phosphate sodium BP |
| 21 | A & Z Trading | B5,4/F, Kingstone Building, No.-2, Kingstone street, Cause way Bay, Hong Kong. | Cyanocobalamin 0.10%(Vit.B12) |
| 22 | A & Z Trading | B5,4/F, Kingstone Building, No.-2, Kingstone street, Cause way Bay, Hong Kong. | Vitamin A propionate Oily liquid. |
| 23 | A & Z Trading | B5,4/F Kingstone Building, No-2, Kingstone st, Cause way Bay, Hong Kong. | Vitamin D3 Oily (1.0m/u/g) |
| 24 | BASF South East Asia Pte. Ltd | 7 Tomasek Boulevard, 35-01, Suntec Tower One Singapore. | Vitamin E Acetate Oily |
| 25 | Hangzhou Starshine Pharmaceuticals Co Ltd | Room# b2, 10/F, Tianyuan Building No. 508, Wensan Road, Zhangzhou, China | Ascorbic Acid |
| 26 | Vitatene S.A | Paseo Ingeniero Saez De Miera, No.50, 24009 Leon, Spain | Betacarotene 10% CWS |
| 27 | Divis Laboratories Ltd | Divi Towers, 7-1-77/E/1/SOS, Dharam Karan Road, Ameerpet, Hyderabad, Andhrapradesh, India | Betacarotene 20% |
| 28 | Nanjing Lanya Chemical Co Ltd | Add. Room 103, o.7, Ertiaoxiang, Gulou, Nanjing, China | Choline Bitertrate |
| 29 | Zhejiang Chemicals Import and Export Corporation | 37, Qiangchun Road, Hangzhou, China | Inosital |
| 30 | Zhengzhou Ruipu Biological Engineering Co Ltd | No. 96, Rivda Road, Hi-Tech Industries Development, China | Magnesium Lactate |
| 31 | Zhengzhou Ruipu Biological Engineering Co Ltd | No. 96, Rivda Road, Hi-Tech Industries Development, China | Zinc Gluconate |
| 32 | Divis Laboratories Ltd | Divi Towers, 7-1-77/E/1/SOS, Dharam Karan Road, Ameerpet, Hyderabad, India | Naprozen Sodium |

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|----|--|---|--|
| 33 | Zhejiang Chemicals Import and Export Corporation | 37, Qiangchun Road, Hangzhou, China | Calcium Lactate |
| 34 | Zhejiang Chemicals Import and Export Corporation | 37, Qiangchun Road, Hangzhou, China | Magnesium Lactate |
| 35 | HANBURY FZE | AB-5, R/A: 08, P.O Box 61091, Jebel Ali Fveezone, Dubai, United Arab Emirate | L-Selenomethionine |
| 36 | United Pharma Industries Co Ltd | 8F22, Buynow Technology Mansion#23, Jiaogong Road, Hangzhou, Zhejiang, China | Calcium D-Pantothenate |
| 37 | Aarti Drugs Ltd | 109-D, Mahendra Industrial Estate, 3rd Fl, Road#29, Sion (E), Bombay, India | Aceclofenac BP Clopidogrel Bisilphate USP |
| 38 | Cadila Healincare Ltd | Zyodus Tower, Satellite Cross Roods, Ahmedabad, India | Amlodipine Besylate |
| 39 | Jiangxi Tiansin Pharmaceutical Ltd | Leanjian Industrial Park, Ceping, Jiangxi, China | Thiamine Mononitrate BP |
| 40 | Enaltec Labs, Pvt., Ltd | B-501, Hreat Eastern Summit, Plot No. 66, Sector-15, CBD Belapur, Navi Mumbai, India | Nitazoxanide |
| 41 | Lasons India Pvt Ltd | 8, New Jagnuti, 227, S.V. Road, Bandva, Mumbai, India | Nicotinamide |
| 42 | Zhengzhou RuiPu Biological Engineering Co Ltd | No. 96, Rivda Road, Hi-Tech Industries Development, China | Calcium Lactate |
| 43 | Arshine Pharmaceuticals Co. Ltd. | 17/F, Shun Kueong comm. Building. 8 Des Voenv Road, West Shchung wan, China | Vitamin E Acetate 50% W/W |
| 44 | Everest Organics Limited. | 4-3-214/50, 4th floor, Opposite MCH Park, Srinivasa Colony (west), Hyderabad-500038. A.P India. | Pantoprazole Sodium Sesquihydrate INN |
| 45 | Parabolic Drugs Ltd. | SCO 99-100, Top Floor, Sector-17/B, Chandigarh, India. | Cefuroxime Axetil, BP/USP |
| 46 | Vardhman Chemtech Ltd. | Plot# 525, Industrial Area, Phase-II, Chandigarh-160002, India. | Gabapentin USP |
| 47 | Vitatene S.A | Paseo Ingeniero Saez De Miera, No.50, 24009 Leon, Spain | Beta carotene 10% CWS |
| 48 | Sr Krishna Pharmaceuticals Ltd. | C-4 Industrial, Uppal, Hyderabad-500039, India. | Dompperidone Maleate BP |
| 49 | Penglai Marine Bio-Tech Co. Ltd. | No#3, Jinchuang Road, Economic Development Zone of Pengei, Shandong, China. | Calcium Carbonate (Heavy) BP |
| 50 | Bilcare Limited | Gate# 1028, Vill-Shiroli, Rajgurunagar, Tal Khed, PUNE-410505, maharashtra. | PVDC quoted OVC film |

| | | | |
|----|------------------------------------|---|--|
| 51 | CSPC OUYI Pharmaceutical Co. Ltd. | No. 276, Zhongshan West Road, Shijiazhuang, China. | Azithromycin Dihydrate USP (Compacted). |
| 52 | D.K. Pharmachem Pvt. Ltd. | F-32/w-6, M.I.D.C. Badlapur (E)-421503, Dist- Thane, Maharashtra, India | Meclizine Hydrochloride USP |
| 53 | FDC Limited | 142-148 Swami Vivekananda Road, Jongeswari (W), Mumbai-100102, India | Levosulbutamol Sulphate INN |
| 54 | Ming Tai Chemical Company Ltd. | 1142 Shin Hsing Road, Bah-Der City, Taoyuan Hsien, Taiwan. | Micro Crystalline Cellulose M-101 BP/USP |
| 55 | Jiaozuo Zhongwei Chemical Co. Ltd. | No: 115, East Xinhuan Road, Wen County, Jiaozuo City, Houan, China | Povidone K30, Crosslinked Povidone |
| 56 | Auro Laboratories Limited | 314, T.V. Industrial Estate, S.K Ahire Marg, Mumbai-400030, India | Metformin HCL |

LOCAL SUPPLIERS

| SL No. | Name of the suppliers | Address | Name of the Raw Materials |
|--------|---------------------------|---|---------------------------|
| 1 | Dhaka Foil Corporation | 46/2/Ka, Zigatola, Dhaka | PVC Flim Opeque White |
| 2 | Metro Foils Limited | 117/A Old Airport Road, Lavel-3, Tajgaon, Dhaka | Printed Alu Foil |
| 3 | AGI Printing & Packaging | 169, Boro Mogbazar, Dhaka | IC, CC, Insert, Lavel |
| 4 | Quality Can Industries | Kazi Uddin Tower, 5th floor, 176 Shohid Nazrul Islam Sarani, Bijoy Nogar, Dhaka | Printed P.P Cap |
| 5 | JMS Glass Industries | 28 Dilkusha C/C, Dilkusha Centre ,18th Floor. Suit # 1803, Dhaka | Glass Bottle |
| 6 | Asia Plastic | 89 Posta. Lalbag, Dhaka | Plastic Container |
| 7 | Tanim Plastic Industries | Plot# 21, Block# 1, road# 3, Barabag, Mirpur-2, Dhaka | Cup, spoon |
| 8 | Mars Packaging Industries | 3953 College Road, Matuail, Jatrabari, Dhaka | Master Carton |
| 9 | Global Capsules Ltd. | 37 Segunbagicha, Dhaka | EHG Shell |
| 10 | Best Silica Gel Pack. | 57/1 Main Road, Kolyanpur, Dhaka | Silica Gel |

| | | | |
|----|-----------------------------|--|--|
| 11 | Crystal Flexipack Ltd | Road # 06, Blot # 34/2, Block-A, Trimohoni Main Road, Bangladesh | Alu Foil |
| 12 | W & W Company Ltd. | 183 Nazrul Islam Sarani, Dhaka, Bangladesh | Alu Bottom |
| 13 | Rasayan Ghar | 56 Mitford Road, Dhaka-1100 | Paracetamol, Cephradine BP (Micronized) etc. |
| 14 | Reaz Enterprise | 19 Armanian Street, Rashid Plaza, 1st Floor, Dhaka. | Ascorbic Acid USB, Folic Acid Etc. |
| 15 | Sun Shine Traders | 56/57 Mitford Road, Dhaka. | Magnesium Oxide, Raspberry Flavor Liquid Ph. Grade etc. |
| 16 | Index Chemi | Hazi Yusuf Mansion, Dhaka | Sucrose BP |
| 17 | Zest Polymers Ltd. | House#5/A, Road # 88, Gulshan-2, Dhaka-1212 | Pet Bottle (Amber), Pet Bottle (Transparent) |
| 18 | Oshadhi Industries Limited. | 18 Gopibagh, 1st Lane, Dhaka. | PP cap Size-22mm, 25mm, 28mm |
| 19 | Active Fine Chemicals Ltd. | Navana Osman @Link, 214/D, Gulshan-Tejgaon Link Road, Dhaka-1208 | Azithromycin Anhydrate (Compacted) & others raw materials. |

Contingency Plan in case of any disruption:

As number of suppliers of raw materials are plenty in the market, if one supplier fails to provide raw material there are always other suppliers available. Therefore, there is no possibility of disruption.

- (xi) **Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;**

Power:

For electricity consumption, SPL depends on Bangladesh Power Development Board (BPDB) line. It is well connected with highway road; 500 KVA power supply from Bangladesh Power Development Board (BPDB) has been provided to the company. Stand- by Power Generating set of 600 KVA and 380 KVA capacities Diesel Generator are also available at the project.

Gas:

SPL needs gas for liquid syrup processing. SPL has the permission of Bakhrabad Gas Systems Ltd. to meets its requirements.

Water:

At different stages throughout the production process in SPL there requires water which is supplied by Noakhali Pouroushava.

Contingency Plan in case of any disruption:

To tackle the disruption of utilities, Company has installed generators as mentioned in above.

- (xii) **Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof;**

There is no customer who purchase 10% or more of the company's products.

- (xiii) **Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;**

No particular suppliers from whom Silva Pharmaceuticals Limited purchases 10% or more of its raw material/finished goods.

- (xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;

The Company has no such contract with principal suppliers or Customers.

Declaration regarding Contract with Principal suppliers or customers

We, on behalf of the Board of Directors certify that Silva Pharmaceuticals Limited did not enter into any contract with its principal suppliers or customers.

Sd/-
Dr. Saira Khan
Managing Director

Sd/-
Md. Abul Kasem
Chief Financial Officer

Sd/-
Mrs. Silvana Mirza
Chairman

on behalf of Board of Directors

Dated: June 15, 2017
Dhaka

(xv) **Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, SPL has several regulatory licenses and certificates in order to continue its operations. The table shows list of licenses:

| SL | Name of Certificate/license/Registration | License Issuer/Issuing Authority | Certificate/License No. | Validity/ Current Status |
|----|--|--|--------------------------|-------------------------------------|
| 1 | Trade License | Noakhali Pourashava | 01060 | 30.06.2018 |
| | | Binodpur Union Parishad | 54 | 30.06.2018 |
| 2 | TIN Certificate | National Board of Revenue | 652706278754 | N/A |
| 3 | VAT Reg. No. | Customs, Excise & VAT Commissionerate, Comilla | 23081024062 | N/A |
| 4 | Import Registration Certificate (IRC) | Controller of Import & Export, Government of Bangladesh | Ba 128017 | 30.06.2018 |
| 5 | BAPI | Bangladesh Association of Pharmaceutical Industries | 1512 | 31.12.2017 |
| 6 | Fire License | Bangladesh Fire Services and Civil Defense | Noa 1211/08-09 | 30.06.2018 |
| | | | Noa 2109/17-18 | 30.06.2018 |
| 7 | Drug License | Directorate General of Drug Administration & Licensing Authority (Drugs), Govt. of the Peoples Republic of Bangladesh. | 456 | 03.10.2017 (applied for renewal) |
| 8 | Environment Clearance Certificate | Department of Environment, Chittagong Division | 3525/2002/265 | 14.07.2018 |
| | | | 699 | 26.05.2019 |
| 9 | Factory License | Department of Factory, Comilla | 450/Noakhali | 30.06.2018 |
| | | | 450/Noakhali | 31.12.2018 |
| 10 | Fire Insurance | Agrani Insurance Company Limited | AICL/MAJ/FC-0144/07/2017 | 02.07.2018 |
| 11 | Narcotics Import | Department of Narcotics Control, Noakhali | 01/2004-2005 | 30.06.2018 |
| 12 | Narcotics Producing & Processing | Department of Narcotics Control, Noakhali | 01/2004-2005 | 30.06.2018 |

(xvi) **Description of any material patents, trademarks, licenses or royalty agreements;**

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation.

(xvii) Number of total employees and number of full-time employees;

Number of employees is as follows:

| Salary Range (Monthly) | Total Employee | Officer & Staff | | Worker & Employee | |
|----------------------------------|----------------|-----------------|---------|-------------------|---------|
| | | Head Office | Factory | Field | Factory |
| For the year ended 30 June, 2017 | 1,034 | 72 | 32 | 741 | 189 |
| Below 3,000 | - | - | - | - | - |
| Above 3,000 | 1,034 | 72 | 32 | 741 | 189 |
| For the year ended 30 June, 2016 | 1,034 | 72 | 32 | 741 | 189 |

During the year 2017, all the employees were in the permanent payroll of the Company

(xviii) A brief description of business strategy;

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
 - b) Competitive Strategy
1. **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.
 2. **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.
 - Lower price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.
 - Product Differentiating: By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.
 - Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

With regard to above, a table is presented in the following page:

Total actual capacity and its utilization:

| Product | Unit | Installed Capacity (Million) | | | Capacity utilization for this Products (Million) | | | Actual Capacity Utilization (%) | | |
|-----------|-------|------------------------------|------------------|------------------|--|------------------|------------------|---------------------------------|------------------|------------------|
| | | Jun'14 to May'15 | Jun'15 to Jun'16 | Jul'16 to Jun'17 | Jun'14 to May'15 | Jun'15 to Jun'16 | Jul'16 to Jun'17 | Jun'14 to May'15 | Jun'15 to Jun'16 | Jul'16 to Jun'17 |
| | | 12 Months | 13 Months* | 12 Months | 12 Months | 13 Months* | 12 Months | 12 Months | 13 Months* | 12 Months |
| Tablet | Pcs. | 190.00 | 210.83 | 198.00 | 114.96 | 130.84 | 119.09 | 60.50% | 62.06% | 60.14% |
| Capsule | Pcs. | 50.00 | 54.16 | 52.00 | 30.96 | 34.04 | 31.84 | 61.93% | 62.85% | 61.23% |
| Liquid | Phial | 1.35 | 1.69 | 1.80 | 0.85 | 1.18 | 1.26 | 63.05% | 69.96% | 69.83% |
| Dry Syrup | Phial | 0.15 | 0.19 | 0.22 | 0.10 | 0.15 | 0.18 | 65.23% | 76.88% | 81.18% |

**As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.*

Projected capacity and its utilization:

| Product | Unit | Installed Capacity (Million) | | | Capacity utilization for this Products (Million) | | | Actual Capacity Utilization (%) | | |
|-----------|-------|------------------------------|------------------|------------------|--|------------------|------------------|---------------------------------|------------------|------------------|
| | | Jul'17 to Jun'18 | Jul'18 to Jun'19 | Jul'19 to Jun'20 | Jul'17 to Jun'18 | Jul'18 to Jun'19 | Jul'19 to Jun'20 | Jul'17 to Jun'18 | Jul'18 to Jun'19 | Jul'19 to Jun'20 |
| Tablet | Pcs. | 213.84 | 245.92 | 270.51 | 151.83 | 181.98 | 205.59 | 71.00% | 74.00% | 76.00% |
| Capsule | Pcs. | 56.16 | 64.58 | 71.04 | 39.87 | 47.79 | 53.99 | 71.00% | 74.00% | 76.00% |
| Liquid | Phial | 1.94 | 2.24 | 2.46 | 1.38 | 1.65 | 1.87 | 71.00% | 74.00% | 76.00% |
| Dry Syrup | Phial | 0.24 | 0.27 | 0.30 | 0.17 | 0.20 | 0.23 | 71.00% | 74.00% | 76.00% |

Assumptions for future capacity utilization

| Assumption indicator | Assumption's Basis | Assumptions Years | | |
|----------------------|---|-------------------|------------|------------|
| | | 30-June-18 | 30-June-19 | 30-June-20 |
| Capacity Increase | Capacity will be increased as new machineries will be introduced. | 8% | 15% | 10% |

Rationale to achieve the projected levels:

The Company has projected that the capacity utilization will increase. As the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

(e) Description of Property:

The written down value of Property, Plant & Equipment's owned by the company as per audited accounts as on 30 June, 2017 are stated below:

| Sl. | Particulars | Written Down Value as at 30 June, 2017 |
|-----|------------------------------|---|
| 1 | Land | 6,525,810 |
| 2 | Land Development | 75,133,875 |
| 3 | Plant & Machinery | 298,245,223 |
| 4 | Generator | 4,879,570 |
| 5 | Building Decoration | 12,260,117 |
| 6 | Electrical Installation | 1,659,958 |
| 7 | Gas Installation | 142,674 |
| 8 | Office Equipment | 16,380,989 |
| 9 | Factory Equipment | 20,315,747 |
| 10 | Furniture and Fixture | 15,269,990 |
| 11 | Vehicle | 26,099,751 |
| 12 | Power House | 415,666 |
| 13 | Laboratory Equipment | 15,118,367 |
| 14 | Factory Building & Warehouse | 214,290,833 |
| | Total | 706,738,552 |

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The entire above mentioned assets are located at rented Registered & Corporate Office: House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, and rented factory building: Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali and owned factory building: Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali. The Company has 589 decimals land. Among them 275 decimals of land, located at Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali on which 5 storied owned factory building located. And 314 decimals of land located at Horinarayanpur, Noakhali is vacant land. All of the above-mentioned Property, Plant & Equipment's are in working good condition.

(ii) Whether the property is owned by the company or taken on lease;

All the above-mentioned assets of the Company are in its own name except rented registered & corporate office at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209 and rented factory building at Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali.

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Land:

| Deed No. | Date of purchase | Mutation date | Last payment date of current rent (খাজনা) | Dag No. | Deed Value in Tk. | Land development & Other Cost in Tk. | Area of Land (decimal) | Current use |
|----------|------------------|----------------------|---|--|-------------------|--------------------------------------|------------------------|---|
| 10930 | Jun 30, 2005 | Oct 09, 2005 | Jun 20, 2017 | R. S: 114, 115, 130, 131, 134, 135 & 141 | 6,000,000 | 75,659,667 | 275.00 | Ware house, Factory Building (under construction), developed open field |
| 3811 | Apr 04, 2018 | Applied for mutation | - | C. S: 78 | 167,200,000 | 18,392,250 | 314.00 | Vacant land |

- (iv) The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Land (acquired):

| Name of the persons from whom the land has been acquired | Cost of acquisition | Relations |
|--|---------------------|---|
| Md. Nur Islam | 6,000,000 | There is no relation of land owner with the Directors and Sponsors of the Silva Pharmaceuticals Limited. |
| Kohinur Begum | | |
| Md. Ashraful Islam | | |
| Md. Monjur Hasan | | |
| Md. Iqbal Hossain | | |
| Yeasmin Ismail | | |
| Abdul Mannan Ismail | | |
| Bilkis Begum | | |
| Abdur Rehman Ismail Miah | | |
| Md. Imam Hossain Monju | | |
| Md. Mamunur Rashid | | |
| Mrs. Sajeda Mirza (Sponsor Shareholder of Silva Pharmaceuticals Limited) | 167,200,000 | Mother of Mrs. Silvana Mirza (Chairman), Mrs. Samina Mirza (Director) & Mrs. Farhana Mirza (Director) and Mother-in-law of Dr. Saira Khan (Managing Director) |

Land (proposed to be acquired):

There is no land proposed to be acquired by the Company.

- (v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

The Company has received all the approvals pertaining to use of the land.

- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

275 decimals lands are mortgaged to NCC Bank Limited (Kawran Bazar Branch) against Long Term Loan and Short Term Borrowings.

| Name of Mortgagee | Deed No. | Date | Description of Land/Plot No. | Area in Decimal |
|---|-----------|-----------------|--|-----------------|
| NCC Bank Limited (Kawran Bazar Br) Dhaka | 1818/2010 | May 03, 2010 | Binodpur (former Gopai Ram Sankarpur), Sadar, Noakhali | 275 |

- (vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No Property is taken by the Company under lease agreement. But registered & corporate office at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209 and factory at Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Majjdee Court, Noakhali under rental agreement.

(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

| Date of Purchase | Machine Name | Sellers Name | Bill of Entry No.& Date | Address | Years of sale | Condition when purchased | Country of origin | Useful Economic life at purchase | Remaining Economic life | Purchase Price in BDT | W.D.V. in Tk. |
|------------------|--|--|-------------------------|--|---------------|--------------------------|-------------------|----------------------------------|-------------------------|-----------------------|---------------|
| 29.11.2001 | High Performance Liquid Chromatography System(HPLC) | Water Ges mBH,Hietzinger Hauptestrasse | C 51649, 29.11.2001 | 145, A-1130 Vienna, Austria | N/A | Brand New | USA / Austria, UK | 10 years | Nil | 2,591,783 | 554,044 |
| 29.11.2001 | Melting Point Apparatus | Bushi Labortechnik AG | C 51429, 29.11.2001 | Postfach,CH-9230, Flawil 1, Swizerland. | N/A | Brand New | Swizerland | 10 years | Nil | 919,494 | 196,560 |
| 07.01.2002 | Humidity Test Cabinet | Sheldon Manufacturing INC. | C 65256, 07.01.2002 | 300 N, 26Th Avenue, P.O:Box-627, Cornelius,Oregon 97113, USA | N/A | Brand New | USA | 10 years | Nil | 524,810 | 112,190 |
| 08.01.2002 | Tablet Dissolution Tester, Tablet Friability Tester and Tablet Hardness Tester | Pharma Test Apparatebau GMBH Siemensstrasse | C 65515, 08.01.2002 | 5 D-63512 Hainburg, Germany | N/A | Brand New | Germany | 10 years | Nil | 1,982,856 | 423,874 |
| 13.01.2002 | Automatic Capsule Arrange Machine | Greatide Industrial Co.,Ltd. | C 53164, dt.13.01.2002 | 5th FL., No.9, Sec.3, JEN AI Road, Taipei 10627, Taiwan | N/A | Brand New | Taiwan | 10 years | Nil | 7,373,062 | 1,576,133 |
| 21.01.2002 | High speed mixer enulsifier, & Heavy duty Laboratory Mixer with standard Emulsor | Silverson Machines Ltd., | C 56714, 21.01.2002 | Waterside Chesham, Bucks HPS IPO, England, UK | N/A | Brand New | UK | 10 years | Nil | 931,018 | 199,022 |
| 27.01.2002 | Automatic Capsule Filling Machine | I.M.A.Industrial Machine Automatches S.p.A.Sede Legale Direzione Amministrativa VIA Emilia | C 55609, dt.27.01.2002 | 428-442, P.O.Box 7-40064, Ozzano Dell'Emillia, Bologna, Italy. | N/A | Brand New | Italy | 10 years | Nil | 6,171,813 | 1,319,344 |
| 29.01.2002 | Automatic Blister Packing Machine , Tablet Deducter , Dust Collector | Buchon Machinery Co.Ltd. | C 57194, 29.01.2002 | 1381-10, Jung Wang-Dong, Shi Heung-SI, Kyung GI-DO, Korea | N/A | Brand New | Korea | 10 years | Nil | 13,630,594 | 2,913,801 |
| 29.01.2002 | SD'Punch & Die Storage Cabinet & Torlley, Transportation Trolley | General Machineries Company, | C 57202, dt.29.01.2002 | Gala No.31/32, Shivashakti Ind.Estate Opp. Mittal Estate, M.V.Road, Anderi(E), Mumbai-400 059, India | N/A | Brand New | India | 10 years | Nil | 4,132,741 | 883,452 |
| 03.02.2002 | Automatic Liquid Filling Line | Pharmalab (Overseas) MKTG. Agency, | C 21305, dt.03.02.2002 | Star Metal Compound L.B.S. Mar G VIKHROLI(W), Mumbai-400083, India | N/A | Brand New | India | 10 years | Nil | 6,528,173 | 1,395,522 |

| | | | | | | | | | | | |
|------------|---|--|-------------------------|--|-----|-----------|----------|----------|-----|------------|-----------|
| 03.02.2002 | Double Rotary Tableting Machine | General Machinerics Company, | C 21341, dt.03.02.2002 | Gala No.31/32, Shivashakti Ind.Estate Opp. Mittal Estate, M.V.Road, Anderi(E), Mumbai-400 059, India | N/A | Brand New | India | 10 years | Nil | 2,424,856 | 518,360 |
| 05.02.2002 | Granualting Machine, Sifter & Drum Mixer Machine | Gansons Limited, | C 58931, dt.05.02.2002 | Shantinagar Industrial Estate, Vakola, Santacruz(East), Mumbai-400 055, India | N/A | Brand New | India | 10 years | Nil | 1,918,209 | 410,055 |
| 11.02.2002 | Tablet Coating Machine, High Speed Mixer With all accessories | Pharmaceuticals & Medical Supply Ltd. | C 60092, dt.11.02.2002 | Partbership, 551/32-39 Soi Sansuk , Sathupradith Road, Chongnonsee, Yannawa, Bangkok 10120, Thailand | N/A | Brand New | Thailand | 10 years | Nil | 5,383,609 | 1,150,849 |
| 02.03.2002 | Punches N Dies for Tablet Press Machine | Holland Limited | C 83333, dt.02.03.2002 | Medow Lane Long Eaton, Nottingham NG 10 2GD, England UK. | N/A | Brand New | UK | 10 years | Nil | 7,234,022 | 1,546,411 |
| 01.04.2002 | Semi-Automatic Auger Filler-Floor | M/S Hauser Machinery Ltd. | C 71744, dt.01.04.2002 | 45 Nantucket Blvd Scarborough, Ontario MIP 2N5, Canada | N/A | Brand New | Canada | 10 years | Nil | 1,832,905 | 391,819 |
| 21.04.2002 | Soft Gelatine encapsulation machine | BUCHON MACHINERY CO., LTD. | C 76585, dt.21.04.2002 | 1381-10 Jung Wang-Dong, Shi Heung-SI, Kyung GI-DO, Korea | N/A | Brand New | Korea | 10 years | Nil | 27,756,846 | 5,933,558 |
| 05.05.2002 | Fluid Bed Dryer | Gansons Engineers PVT.Ltd. | C 58914, 05.05.2002 | Shantinagar Industrial Estate, Vakola, Santacruz(East), Mumbai-400 055, India | N/A | Brand New | India | 10 years | Nil | 1,106,363 | 236,507 |
| 04.08.2004 | Tableting Machine parts, punches & dies | M/S General Machinery Company | C 131985, dt.04.08.2004 | 31/32, Shivshakti ind.Estate opp. Mital Estate, M.V.Road, Andheri(E), Mumbai-400 059, India | N/A | Brand New | India | 10 years | Nil | 164,714 | 39,581 |
| 11.08.2004 | Code Dating Imprinter | Greatide Industrial Co.,Ltd | C 136437, dt.11.08.2004 | 5th FL., No.9,Sec.3, JEN AI Road, Taipel 10627, Taiwan | N/A | Brand New | Taiwan | 10 years | Nil | 1,207,896 | 290,257 |
| 22.09.2004 | Laboratory Furnace ashing and burn off. | Fisher Scientific UK | C 162293, dt.22.09.2004 | Bishop Meadow Road, Loughborough, Liechestershire, LE11, 5RG, United Kingdom. | N/A | Brand New | UK | 10 years | Nil | 383,885 | 92,248 |
| 26.04.2006 | Leak Test Apparatus Equipment | M/S Maruti Exports | C 88094, dt.26.04.2006 | 29 Parisram, Rajendra Nagar, Borivali(E), Mumbai-400 066, India. | N/A | Brand New | India | 10 years | Nil | 309,268 | 83,433 |
| 17.12.2006 | Cutting and Crussing Machine | Shanghai Wity Import & Export Co.,Ltd. | C 435690, dt.17.12.2006 | RM 918,1ST Block, Huban Building 1250, Zhongshan, North One Road, Shangai, China | N/A | Brand New | China | 10 years | Nil | 2,095,512 | 633,954 |

| | | | | | | | | | | | |
|------------|--|--|-------------------------|--|-----|-----------|-----------|----------|----------|------------|-----------|
| 21.01.2007 | Die Punch for Jaguar 35 B Tablet M/C , Die Punch for Jaguar 23 D Tablet M/C. , Die punch for Jaguar 12 Stn Machine | Pharmachine India | C 9907, dt.21.01.2007 | 20 Suyog Industrial Estate, L.B.S Marg, Vikholi West, Mumbai-400 083, India | N/A | Brand New | India | 10 years | Nil | 5,595,067 | 1,692,676 |
| 01.12.2007 | Spectro Photometer | Shimadzu (Asia Pacific) PTE.Ltd. | C 191948, dt.01.12.2007 | 16 Science Park Drive # 01-01 The Pasteur, Singapore Science Park, Singapore 118227 | N/A | Brand New | Singapore | 10 years | 01 year | 18,077,998 | 6,127,029 |
| 07.04.2008 | Capsule Filling Machine, Automatic Capsule loading machine | Pam Pharmaceuticals & Allied Machine Company PVT.Ltd. | C 53863, dt.07.04.2008 | 127, Kandivli Industrial Estate, Mumbai-400067, India | N/A | Brand New | India | 10 years | 01 year | 11,697,322 | 3,964,479 |
| 21.07.2008 | Blister Packing Machine | Zhejiang Feiyun Technology Co., Ltd. China | C 359687, dt.21.07.2008 | No.281, West Yanjiang Road, Ruian City, Zhejiang Province, P. R. China | N/A | Brand New | China | 10 years | 02 years | 6,966,308 | 2,592,206 |
| 04.08.2008 | Fourier Transform Infrared Spectrophotometer (FTIR) | Alpha Bruker Gmbth, Germany | C 389562, dt.04.08.2008 | Kaiserslautern, German | N/A | Brand New | Germany | 10 years | 02 years | 14,198,978 | 5,283,525 |
| 29.09.2008 | Moisture Balance | Wissenschaft Kiche Knaver Gmbth, | C 569874, dt.29.09.2008 | Heinrich-Mack-Str. 35, 89257 Illertissen, Germany | N/A | Brand New | Germany | 10 years | 02 years | 2,568,382 | 955,712 |
| 05.01.2009 | Auto Sachet Filling Machine | Printemps International, India | C 256987, dt.05.01.2009 | 12, Moni Mukherjee Road., City, Kolkata. Zip/Pin, 700019. Country, India. | N/A | Brand New | India | 10 years | 02 years | 2,807,419 | 1,044,657 |
| 20.01.2009 | High speed mixer enulsifier & Heavy duty Laboratory Mixer with standard Emulsor | Silverson Machines Ltd., | C 152463, 20.01.2009 | Waterside Chesham, Bucks HPS IPO, England, UK | N/A | Brand New | UK | 10 years | 02 years | 5,586,110 | 2,078,625 |
| 27.01.2009 | Automatic Capsule Filling Machine | I.M.A.Industrial Machine Automatiche S.p.A.Sede Legale Direzione Amministrative VIA Emilia | C 155609, dt.27.01.2009 | 428-442, P.O.Box 7-40064, Ozzano Dell'Emilia, Bologna, Italy. | N/A | Brand New | Italy | 10 years | 02 years | 14,195,170 | 5,282,108 |
| 29.01.2009 | Tablet Deducter , Dust Collector | Buchon Machinery Co.Ltd. | C 157194, 29.01.2009 | 1381-10, Jung Wang-Dong, Shi Heung-SI, Kyung GI-DO, Korea | N/A | Brand New | Korea | 10 years | 02 years | 10,458,594 | 3,891,706 |
| 30.01.2009 | SD'Punch & Die Storage Cabinet & Torlley, Transportation Trolley | General Machinerics Company, | C 157202, dt.30.01.2009 | Gala No.31/32, Shivashakti Ind.Estate Opp. Mittal Estate, M.V.Road, Anderi(E), Mombai-400 059, India | N/A | Brand New | India | 10 years | 02 years | 9,505,304 | 3,536,980 |

| | | | | | | | | | | | |
|------------|--|---|-------------------------|--|-----|-----------|------------|----------|----------|------------|------------|
| 16.02.2009 | Humidity Test Cabinet | Sheldon Manufacturing INC. | C 325411, dt.16.02.2009 | 300 N, 26Th Avenue, P.O:Box-627, Cornelius,Oregon 97113, USA | N/A | Brand New | USA | 10 years | 02 years | 2,284,642 | 850,130 |
| 16.02.2009 | High Performance Liquid Chromatography System(HPLC) | Wissenschaft Kiche Knaver Gmbth, | C 325418, dt.16.02.2009 | Heinrich-Mack-Str. 35 89257 Illertissen, Germany. | N/A | Brand New | Germany | 10 years | 02 years | 21,936,906 | 8,162,852 |
| 02.08.2009 | High Speed Mixer Granulator | Jupiter Machinery Co. Ltd., Thailand | C 98926, dt.02.08.2009 | 2/2 Moo 3Sai Mai, 10210,Thailand | N/A | Brand New | Thailand | 10 years | 03 years | 18,389,073 | 7,802,230 |
| 11.08.2009 | Melting Point Apparatus | Bushi Labortechnik AG | C 196439, dt.11.08.2009 | Postfach,CH-9230, Flawil 1, Swizerland. | N/A | Brand New | Swizerland | 10 years | 03 years | 4,644,900 | 1,970,767 |
| 17.12.2009 | Cutting Machinery | Shanghai Wity Import and Export Co. Ltd. | C 935699, dt.17.12.2009 | 3F,Unit 4,Xinhu Building, Binjiang Rd, Shanghai, Shanghai, China | N/A | Brand New | China | 10 years | 03 years | 8,594,846 | 3,646,676 |
| 26.04.2010 | Automatic Capsule Arrange Machine | Greatide Industrial Co.,Ltd. | C 88094, dt.26.04.2010 | 5th FL., No.9, Sec.3, JEN AI Road, Taipei 10627, Taiwan | N/A | Brand New | Taiwan | 10 years | 03 years | 33,359,040 | 14,153,779 |
| 10.05.2010 | Water Purifying Machine | Wenzhou Hengiong Treatment Co. Ltd., China | C 66195, dt.10.05.2010 | No-839 8th ,rd. 1st, Binhai, Gerden, Wenzhoo, China | N/A | Brand New | China | 10 years | 03 years | 3,643,371 | 1,545,833 |
| 10.05.2010 | Automatic Capsule Filling Machine | I.M.A.Industrial Machine Automatiches S.p.A.Sede Legale Direzione Amministrative VIA Emilia | C 66212, dt.10.05.2010 | 428-442, P.O.Box 7-40064, Ozzano Dell'Emilia, Bologna, Italy. | N/A | Brand New | Italy | 10 years | 03 years | 34,320,000 | 14,561,505 |
| 10.05.2010 | Automatic Capsule loading machine | Pam Pharmaceuticals & Allied Machine Company PVT.Ltd. | C 66217, dt.10.05.2010 | 127, Kandivli Industrial Estate, Mumbai-400067, India | N/A | Brand New | India | 10 years | 03 years | 27,773,445 | 11,783,893 |
| 29.10.2010 | SD'Punch & Die Storage Cabinet & Torlley, Transportation Trolley | General Machinerics Company, | C 115742, dt.29.10.2010 | Gala No.31/32, Shivashakti Ind.Estate Opp. Mittal Estate, M.V.Road, Anderi(E), Mombai-400 059, India | N/A | Brand New | India | 10 years | 04 years | 9,845,437 | 4,668,776 |
| 02.03.2011 | Punches N Dies for Tablet Press Machine | Holland Limited | C 252333, dt.02.03.2011 | Medow Lane Long Eaton, Nottingham NG 10 2GD, England UK. | N/A | Brand New | UK | 10 years | 04 years | 24,306,314 | 11,191,552 |
| 05.07.2012 | Fluid Bed Drier | Gansons Engineers PVT.Ltd. | C 52468, 05.07.2012 | Shantinagar Industrial Estate, Vakola,Santacruz(East), Mumbai-400 055, India | N/A | Brand New | India | 10 years | 06 years | 8,297,723 | 4,906,484 |

| | | | | | | | | | | | |
|------------|--|---|-------------------------|--|-----|-----------|----------|----------|----------|------------|------------|
| 25.09.2012 | Dry Powder Filling Machine | JIH Cheng Machinery Technologies Co., Ltd | C 142564, 05.07.2012 | ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | N/A | Brand New | Taiwan | 10 years | 06 years | 13,370,264 | 7,905,904 |
| 11.12.2012 | Code Dating Imprinter | Greatide Industrial Co.,Ltd | C 157437, dt.11.12.2012 | 5th FL., No.9,Sec.3, JEN AI Road, Taipei 10627, Taiwan | N/A | Brand New | Taiwan | 10 years | 06 years | 4,275,952 | 2,528,392 |
| 21.01.2013 | Tablet Press Machine | Holland Limited | C 174857, dt.21.01.2013 | Medow Lane Long Eaton, Nottingham NG 10 2GD, England UK. | N/A | Brand New | UK | 10 years | 06 years | 9,243,126 | 5,465,506 |
| 21.01.2013 | Die Punch for Jaguar 35 B Tablet M/C , Die Punch for Jaguar 23 D Tablet M/C. , Die punch for Jaguar 12 Stn Machine | Pharmachine India | C 174899, dt.21.01.2013 | 20 Suyog Industrial Estate, L.B.S Marg, Vikholi West, Mumbai-400 083, India | N/A | Brand New | India | 10 years | 06 years | 12,085,345 | 7,146,125 |
| 12.03.2013 | Tablet Coating Machine | Shanghai Chengxiang Machinery Co., Ltd. China | C 175893, dt.12.03.2013 | Room 105, Building 3, No. 345, Rongmei Road, Songjiang District, Shanghai, China | N/A | Brand New | China | 10 years | 06 years | 9,548,280 | 5,645,945 |
| 28.07.2015 | Blister Packing Machine | Zhejiang Feiyun Technology Co., Ltd. China | C 56562, dt.28.07.2015 | No.281, West Yanjiang Road, Ruian City, Zhejiang Province, P. R. China | N/A | Brand New | China | 10 years | 09 years | 21,161,455 | 18,747,210 |
| 08.08.2015 | High Speed Mixer Granulator | Sun Jupter Macheary Co. Ltd. Thailand | C 58891, dt.08.08.2015 | 2/2 Moo 3 Sai Mai, 10210, Thailand | N/A | Brand New | Thailand | 10 years | 09 years | 5,039,706 | 4,423,615 |
| 12.08.2015 | Blister Packing Machine | Zhejiang Feiyun Technology Co., Ltd. China | C 59958, dt.12.08.2015 | No.281, West Yanjiang Road, Ruian City, Zhejiang Province, P. R. China | N/A | Brand New | China | 10 years | 09 years | 6,712,987 | 5,933,778 |
| 20.08.2015 | Fourier Transform Infrared Spectrophotometer (FTIR) | Alpha Bruker Gmbth, Germany | C 60119, dt.20.08.2015 | Kaiserslautern, German | N/A | Brand New | Germany | 10 years | 09 years | 20,495,260 | 18,566,366 |
| 23.09.2015 | Moisture Blance | Wissenschaft Kiche Knaver Gmbth, | C 61132, dt.23.09.2015 | Heinrich-Mack-Str. 35 89257 Illertissen, Germany. | N/A | Brand New | Germany | 10 years | 09 years | 5,611,860 | 4,945,161 |
| 14.10.2015 | Dust Deductor Machine | Printemps International, India | C 62564, dt.14.10.2015 | 12, Moni Mukherjee Road., City, Kolkata. Zip/Pin, 700019. Country, India. | N/A | Brand New | India | 10 years | 09 years | 1,352,665 | 1,205,055 |
| 07.11.2015 | Tablet Coating Machine | Shanghai Chengxiang Machinery Co., Ltd. China | C 66895, dt.07.11.2015 | Room 105, Building 3, No. 345, Rongmei Road, Songjiang District, Shanghai, China | N/A | Brand New | China | 10 years | 09 years | 4,605,180 | 4,084,093 |
| 17.11.2015 | High Performance Liquid Chromatography System(HPLC) | Wissenschaft Kiche Knaver Gmbth, | C 70189, dt.17.11.2015 | Heinrich-Mack-Str. 35 89257 Illertissen, Germany. | N/A | Brand New | Germany | 10 years | 09 years | 7,350,075 | 6,496,048 |

| | | | | | | | | | | | |
|--------------|---|--|-------------------------|---|-----|-----------|-----------|----------|----------|--------------------|--------------------|
| 10.05.2016 | Automatic Capsule Filling & Sealing Machine | Printemps International, India | C 10289, dt.10.05.2016 | 12, Moni Mukherjee Road., City, Kolkata. Zip/Pin, 700019. Country, India. | N/A | Brand New | India | 10 years | 09 years | 6,647,392 | 6,150,477 |
| 19.05.2016 | Auto Liquid Filling & Sealing Machine | JIH Cheng Machinery Technologies Co., Ltd | C 789652, dt.19.05.2016 | ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | N/A | Brand New | Taiwan | 11 years | 09 years | 3,783,946 | 3,504,158 |
| 25.05.2016 | Dry Powder Filling Machine | JIH Cheng Machinery Technologies Co., Ltd | C 798523, dt.25.05.2016 | ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | N/A | Brand New | Taiwan | 10 years | 09 years | 6,632,132 | 6,125,729 |
| 05.06.2016 | Automatic Strip packing Machine | JIH Cheng Machinery Technologies Co., Ltd | C 897210, dt.05.06.2016 | ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | N/A | Brand New | Taiwan | 10 years | 09 years | 3,125,142 | 2,860,205 |
| 07.11.2016 | Spectro Photometer | Shimadzu (Asia Pacific) PTE.Ltd. | C 98468, dt.07.11.2016 | 16 Science Park Drive # 01-01 The Pasteur, Singapore Science Park, Singapore 118227 | N/A | Brand New | Singapore | 10 years | 10 years | 19,085,933 | 18,596,856 |
| 31.05.2017 | Blister Packing Machine | Zhejiang Feiyun Technology Co., Ltd. China | C 992485, dt.24.05.2017 | No.281, West Yanjiang Road, Rui'an City, Zhejiang Province, P. R. China | N/A | Brand New | China | 10 years | 10 years | 20,808,950 | 20,635,542 |
| 31.05.2017 | Auto Liquid Filling & Sealing Machine | JIH Cheng Machinery Technologies Co., Ltd | C 982473, dt.19.05.2017 | ZIP:238 7F., No.502, Da'an Rd., Shulin Dist., New Taipei City 238, Taiwan (R.O.C.) | N/A | Brand New | Taiwan | 10 years | 10 years | 4,723,265 | 4,683,904 |
| Total | | | | | | | | | | 581,315,693 | 298,245,223 |

(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds, the details of which are below:

| Sl. | Machine Name | Capacity | Model No. | Origin | Quantity | Date of Placement of Order | Date or Expected Date of Supply |
|-----|---|----------------------|--------------|---------|----------|----------------------------|---|
| 1 | Six Head Automatic Liquid Filling Line | 4000-5000 Ph/Hr | | India | 1 | After receiving IPO Fund | Within 18 Months After receiving IPO Fund |
| 2 | High Speed Blister Packaging Machine | 120000 Psc/Hr | DPP260Ki-2 | China | 1 | | |
| 3 | Fluid Bed Processor | 250 Kgs | | India | 1 | | |
| 4 | Double Cone Blender | 250Ltrs/125Kgs | ADD CB-240 | India | 2 | | |
| 5 | Tablet Compression Machine | 132000-438000 pcs/Hp | VPBB ii-61 | India | 1 | | |
| 6 | Metal Detector | | | | 1 | | |
| 7 | a) Chiller with dehumidification system | 200 ton | | China | 1 | | |
| | b) Ducting | | | China | 1 | | |
| 8 | HPLC (Binary Gradient) | | S-500 Series | Germany | 1 | | |
| 9 | Infrared Spectroscopy | | FTIR-TT 650 | Canada | 1 | | |
| 10 | Laboratory Incubator | 1092 Ltr | SL-SM 139-2 | USA | 2 | | |
| 11 | Karl Fisher Titration (Youen) | | MKS-500 | Japan | 1 | | |
| 12 | Disital Friability Tester | | FTA-20 | India | 2 | | |
| 13 | Tablet Hardness Tester | | TBF 1000 | UK | 4 | | |
| 14 | Balance | 310 g | EJ-303 | Japan | 5 | | |
| 15 | Moisture Analyzer | | WBA 110M | Korea | 3 | | |

- (x) **In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**

There are no machineries which are yet to be delivered.

- (xi) **If plant is purchased in brand new condition then it should be mentioned;**

All plants and machineries of the Company were purchased in brand new condition.

AUDITOR'S CERTIFICATE REGARDING PURCHASED IN BRAND NEW CONDITION OF MACHINERIES

We do hereby declare that all the plant & machinery of Silva Pharmaceuticals Ltd. amounting to Tk. 581,315,693.00 (written down value Tk. 298,245,223.00) as on June 30, 2017 were purchased in brand new condition. There is no re-conditioned or second hand machinery installed in the Company.

Place: Dhaka;

Dated: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

- (xii) **Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**

The Company neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

- (xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

PHYSICAL VERIFICATION REPORT
Of
Silva Pharmaceuticals Limited

This is to certify that we have visited the factory of Silva Pharmaceuticals Limited on November 16, 2017 and we have found the factory as details bellow:

Visited and Accompanied by:

| Particulars | | Name & Designation | Company |
|--|---|--|--|
| Visited by (Prime Finance Capital Management Limited) | : | Mohammad Rajibul Islam <i>Assistant Vice President</i> | Prime Finance Capital Management Limited |
| Visited by (Imperial Capital Limited) | : | Md. Salauddin Sikder FCMA <i>CEO & Managing Director</i> | Imperial Capital Limited |
| | : | Md. Enamul Haque <i>Senior Executive</i> | |
| Visited by (SBL Capital Management Limited) | : | Abu Nayem Md. Ibrahim <i>Chief Executive Officer</i> | SBL Capital Management Limited |
| Accompanied by | : | Md. Abul Kasem <i>Chief Financial Officer</i> | Silva Pharmaceuticals Limited |
| | : | Mohammad Bourhan Uddin <i>Production Manager</i> | |

Company Overview

Silva Pharmaceuticals Limited was incorporated as a Private Limited company on April 24, 2001 and subsequently converted into a public limited company on April 22, 2014. The Certificate of Incorporation number is CH-42959(2318)/2001. The Company started its commercial operation on July 01, 2003.

SPL has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti-inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local market. SPL has earned a reputation as a successful medicine manufacturer over the last few years.

The capital structure of the company is as follows:

Authorized Capital : Tk. 1,500,000,000.00
 Paid up Capital : Tk. 1,000,000,000.00
 Proposed IPO Size : Tk. 300,000,000.00 (3.00 Crore Shares @ Tk. 10.00 each)
 IPO Size (in share) : 30,000,000 Shares

Registered & Corporate Office

Registered & corporate office is situated at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh-rented office.

Location of the Factory (Owned & Rented)

The factory is situated at Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali-rented factory building & Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali-owned factory building.

Nature of Business

Silva Pharmaceuticals Limited has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti-inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling in local market.

Products (produced in owned factory building)

Production is not yet started in owned factory building.

Products (produced in rented factory building)

The Company has following products:

1. Tablet;
2. Capsule;
3. Liquid &
4. Dry Syrup

During our visit, we found that the production was going on. We also checked about the products other than Annexure I & II approved by Director General of Drug Administration of Bangladesh. We found no products other than Annexure I & II are produced by the Company.

Products as per Annexure I & II

Non-Biological Product:

| Sl. | Brand Name | Generic Name | Dosage form | Strength | DAR No. | Valid Upto |
|-----|--------------|--------------------------------------|-----------------|--------------|-------------|------------|
| 01. | Aerofen | Ketotifen Fumarate INN | Tablet | 1.38mg | 317-90-18 | 30.07.2019 |
| 02. | Aerofen | Ketotifen Fumarate INN | Syrup | 27.60mg | 317-91-021 | 30.07.2019 |
| 03. | Alvolex | Salbutamol USP | Syrup | 48.00mg | 317-46-18 | 08.11.2018 |
| 04. | Ambosil | Ambroxol Hydrochloride BP | Syrup | 300mg | 317-117-031 | 12.06.2020 |
| 05. | Ambosil | Ambroxol Hydrochloride BP | Pediatric Drops | 600mg | 317-118-40 | 12.06.2020 |
| 06. | Anfasil-50 | Fluconazole (Compacted) INN | Capsule | 50mg | 317-66-62 | 20.04.2020 |
| 07. | Anfasil-150 | Fluconazole (Compacted) INN | Capsule | 150mg | 317-67-62 | 20.04.2019 |
| 08. | Anfasil | Fluconazole INN | Suspension | 1.00gm | 317-68-62 | 20.04.2019 |
| 09. | Arnex | Naproxen Sodium USP | Tablet | 550mg | 317-120-65 | 05.08.2020 |
| 10. | Atechlor-100 | Atenolol BP + Chlorthalidone USP | Tablet | 100mg + 25mg | 317-137-25 | 06-03-2021 |
| 11. | Atechlor-50 | Atenolol BP + Chlorthalidone USP | Tablet | 50mg + 25mg | 317-138-25 | 06.03.2021 |
| 12. | Actisal-1 | Levosalbutamol INN | Tablet | 1mg | 317-156-18 | 13.06.2021 |
| 13. | Actisal-2 | Levosalbutamol INN | Tablet | 2mg | 317-157-18 | 13.06.2021 |
| 14. | Actisal | Levosalbutamol INN | Syrup | 1mg/5ml | 317-158-18 | 13.06.2021 |
| 15. | Calsil-500 | Calcium Carbonate USP | Tablet | 500mg | 317-35-67 | 09.11.2022 |
| 16. | Cesil | Cetirizine Dihydrochloride BP | Tablet | 10mg | 317-38-021 | 09.11.2022 |
| 17. | Cesil | Cetirizine Dihydrochloride BP | Syrup | 100mg | 317-39-28 | 09.11.2022 |
| 18. | Clovera | Dicycloverine Hydrochloride BP | Syrup | 10mg/5ml | 317-133-18 | 06.03.2021 |
| 19. | Domsil | Domperidone Maleate BP | Tablet | 10mg | 317-40-018 | 09.11.2022 |
| 20. | Domsil | Domperidone Maleate BP | Syrup | 100mg | 317-41-29 | 09.11.2022 |
| 21. | Duet | Paracetamol BP +Caffeine BP | Tablet | 500mg+ 65mg | 317-123-006 | 07.01.2021 |
| 22. | Domsil DT | Domperidone BP | Tablet | 10mg | 317-142-29 | 06.03.2021 |
| 23. | Devomit | Meclizine HCl BP + Pyridoxine HCl BP | Tablet | 25mg + 50mg | 317-169-018 | 05-12-2021 |
| 24. | Esypam-0.5 | Clonazepam USP | Tablet | 0.50mg | 317-64-09 | 20.04.2019 |
| 25. | Esypam-2 | Clonazepam USP | Tablet | 2mg | 317-65-09 | 20.04.2019 |

| | | | | | | |
|-----|----------------|------------------------------------|------------|--------|-------------|------------|
| 26. | Esypan | Clonazepam USP | Oral Drops | 0.25gm | 317-182-09 | 03.10.2022 |
| 27. | Fluvas-20 | Fluvastatin Sodium (Compacted) INN | Capsule | 20mg | 317-102-17 | 02.10.2019 |
| 28. | Fluvas-40 | Fluvastatin Sodium (Compacted) INN | Capsule | 40mg | 317-103-17 | 02.10.2019 |
| 29. | Kontrol TR100 | Ketoprofen TR BP | Capsule | 100mg | 317-115-65 | 12.06.2020 |
| 30. | Kontrol TR200 | Ketoprofen TR BP | Capsule | 200mg | 317-116-65 | 12.06.2020 |
| 31. | Koreg-6.25 | Carvedilol INN | Tablet | 6.25mg | 317-81-17 | 19.06.2019 |
| 32. | Koreg-12.5 | Carvedilol INN | Tablet | 12.5mg | 317-82-17 | 19.06.2019 |
| 33. | Koreg-25 | Carvedilol INN | Tablet | 25mg | 317-83-17 | 19.06.2019 |
| 34. | Metrosil | Metronidazole BP | Suspension | 4.0gm | 317-12-56 | 03.10.2019 |
| 35. | Metlife-500 | Metformin Hydrochloride BP | Tablet | 500mg | 317-185-43 | 27-03-2020 |
| 36. | Metlife-850 | Metformin Hydrochloride BP | Tablet | 850mg | 317-186-43 | 27-03-2020 |
| 37. | Neurotin-300 | Gabapentin INN | Tablet | 300mg | 317-86-03 | 14.07.2019 |
| 38. | Neurotin-600 | Gabapentin INN | Tablet | 600mg | 317-87-03 | 14.07.2019 |
| 39. | Omesil-20 | Omeprazole 8.5% BP | Capsule | 20mg | 317-36-067 | 09.11.2022 |
| 40. | Omesil-40 | Omeprazole 8.5% BP | Capsule | 40mg | 317-37-34 | 09.11.2022 |
| 41. | Omesil Fast | Omeprazole USP | Sachet | 20mg | 317-136-34 | 06.03.2021 |
| 42. | Omesil Fast 40 | Omeprazole USP | Sachet | 40mg | 317-150-34 | 17.04.2021 |
| 43. | Omesil-20 | Omeprazole Magnesium INN | Tablet | 20mg | 317-161-34 | 13.06.2021 |
| 44. | Omesil-40 | Omeprazole Magnesium INN | Tablet | 40mg | 317-162-34 | 13.06.2021 |
| 45. | Oplor | Desloratidine INN | Tablet | 5mg | 317-121-28 | 05.08.2020 |
| 46. | Orifen | Aceclofenac BP | Tablet | 100mg | 317-125-006 | 07.01.2021 |
| 47. | Pantosil-20 | Pantoprazole INN | Tablet | 20mg | 317-170-067 | 05.12.2021 |
| 48. | Pantosil-40 | Pantoprazole INN | Tablet | 40mg | 317-171-067 | 05.12.2021 |
| 49. | Preduet | Paracetamol BP | Tablet | 500mg | 317-09-06 | 03.10.2019 |
| 50. | Preduet | Paracetamol BP | Suspension | 2.40mg | 317-10-06 | 03.10.2019 |
| 51. | Ramipress-1.25 | Ramipril BP | Tablet | 1.25mg | 317-55-24 | 20.04.2019 |
| 52. | Ramipress-2.5 | Ramipril BP | Tablet | 2.5mg | 317-56-24 | 20.04.2019 |
| 53. | RT-150 | Ranitidine Hydrochloride USP | Tablet | 150mg | 317-02-055 | 03.10.2019 |
| 54. | Sifen-50 | Diclofenac Sodium USP | Tablet | 50mg | 317-01-65 | 03.10.2019 |
| 55. | Sifen TR | Diclofenac Sodium TR BP | Capsule | 300mg | 317-33-006 | 09.11.2022 |

| | | | | | | |
|-----|-----------------|---|------------|-------------|-------------|------------|
| 56. | Sputen | Bromohexine Hydrochloride BP | Tablet | 8mg | 317-97-28 | 31.07.2019 |
| 57. | Serifen-300 | Dexibuprofen INN | Tablet | 300mg | 317-144-65 | 22.03.2021 |
| 58. | Serifen | Dexibuprofen(S-Ibuprofen) INN | Suspension | 2.00mg | 317-184-65 | 03.10.2022 |
| 59. | Sleepon-1 | Eszopiclone INN | Tablet | 1mg | 317-154-09 | 13.06.2021 |
| 60. | Sleepon-2 | Eszopiclone INN | Tablet | 2mg | 317-155-09 | 13.06.2021 |
| 61. | Safetisol | Chlorhexidine Gluconate Solution (0.5%) BP +Isopropyl Alcohol BP | Solution | 2.5ml+ 70ml | 317-183-95 | 03.10.2022 |
| 62. | Theodyl SR | Theophylline Anhydrous USP | Tablet | 400mg | 317-62-18 | 20.04.2019 |
| 63. | Timem | Tiemonium Methyl Sulphate INN | Tablet | 50mg | 317-113-011 | 10.05.2020 |
| 64. | Torolac-10 | Ketorolac Tromethamine USP | Tablet | 10mg | 317-61-064 | 20.04.2019 |
| 65. | Tralin-25 | Sertraline Hydrochloride INN | Tablet | 25mg | 317-80-11 | 19.06.2019 |
| 66. | Tralin-50 | Sertraline Hydrochloride INN | Tablet | 50mg | 317-78-11 | 31.05.2019 |
| 67. | Valpress-40 | Valsartan INN | Capsule | 40mg | 317-104-24 | 17.11.2019 |
| 68. | Valpress-80 | Valsartan INN | Capsule | 80mg | 317-75-24 | 31.05.2019 |
| 69. | Vasopin-50 Plus | Amlodipine BP + Atenolol BP | Tablet | 5mg + 50mg | 317-129-17 | 07.01.2021 |
| 70. | Xenotra | Flupentixol BP +Melitracen INN | Tablet | 0.5mg+ 10mg | 317-126-11 | 07.01.2021 |
| 71. | Z-Sil | Zinc Sulphate USP | Syrup | 549.33mg | 317-42-67 | 09.11.2022 |
| 72. | Z-Sil DT | Zinc Sulphate Monohydrate USP | Tablet | 20mg | 317-175-67 | 03.03.2022 |
| 73. | Zoxanid | Nitazoxanide INN | Suspension | 100mg/5ml | 317-143-56 | 22.03.2021 |
| 74. | Zoxanid | Nitazoxanide INN | Tablet | 500mg | 317-152-56 | 13.06.2021 |

Biological Product:

| Sl. | Brand Name | Generic Name | Dosage form | Strength | DAR No. | Valid Upto |
|-----|--------------|--|------------------------|--|-------------|------------|
| 01. | Alvital | Vitamin A (As Beta Carotene) + Vitamin E (As Vitamin E Acetate) + Vitamin C (As Ascorbic Acid) + Zinc (As Zinc Oxide) + Manganese Sulphate) + Copper (As Cupric Oxide) + Selenium (As Sodium Selenate) | Tablet | 2000 IU + 50 IU + 200mg + 15 mg + 3.00mg + 1.00mg + 70mcg | 317-134-078 | 07.03.2021 |
| 02. | Calsil Plus | Calcium Carbonate USP + Vitamin D ₃ USP | Tablet | 1250mg + 200 IU | 317-111-078 | 10.05.2020 |
| 03. | Capcee TR | Ascorbic Acid USP | Capsule | 500mg | 317-114-39 | 10.05.2020 |
| 04. | Cipronil-500 | Ciprofloxacin Hydrochloride USP | Tablet | 500mg | 317-28-023 | 09.11.2022 |
| 05. | Cipronil-750 | Ciprofloxacin Hydrochloride USP | Tablet | 750mg | 317-109-60 | 24.04.2020 |
| 06. | Cipronil XR | Ciprofloxacin Hydrochloride USP XR | Tablet | 710.026mg | 317-110-60 | 24.04.2020 |
| 07. | Cipronil | Ciprofloxacin Hydrochloride USP | Pellets for Suspension | 5.82gm | 317-112-023 | 10.05.2020 |
| 08. | Codlivit | Multivitamin Syrup with Cod Liver Oil | Syrup | 40.0000.00IU,4000.00IU,0.350g,0.014g,0.017g,0.007mg,0.03g,0.180g,2.00g | 317-153-39 | 13.06.2021 |
| 09. | Calsil M | Calcium, Vitamin D & Multimineral | Tablet | 1500mg,200IU,20.59mg,1.25mg,66.32mg,7.20mg,5.00mg | 317-174-39 | 03.03.2022 |
| 10. | Famina | Carbonyl Iron INN + Folic Acid USP + Vitamin B Complex + Vitamin C USP | Capsule | 50mg + 0.50mg + 50mg | 317-107-39 | 31.01.2020 |
| 11. | Famina Z | Carbonyl Iron INN +Folic Acid USP +ZincSulphateUSP+Vitamin B Complex + Vitamin C USP | Capsule | 50mg+0.50mg+61.80mg+ 50mg | 317-108-39 | 31.01.2020 |
| 12. | Feosil-V | Dried Ferrous Sulphate BP + Folic Acid BP + Vitamin B Complex + Vitamin C USP | Capsule | 150mg + 0.50mg + 50mg | 317-100-39 | 30.07.2019 |
| 13. | Feosil-Z | Dried Ferrous Sulphate BP + Folic Acid BP + Zinc Sulphate Monohydrate USP | Capsule | 150mg + 0.5mg + 61.8mg | 317-34-26 | 03.11.2022 |

| | | | | | | |
|-----|---------------|--|-----------------|--|-------------|------------|
| 14. | Macrozith-250 | Azithromycin Compacted USP | Capsule | 250mg | 317-50-60 | 20.04.2019 |
| 15. | Macrozith-500 | Azithromycin Compacted USP | Capsule | 500mg | 317-51-60 | 20.04.2019 |
| 16. | Macrozith | Azithromycin Ph. Grade | Suspension | 53.33gm | 317-52-023 | 20.04.2019 |
| 17. | Macrozith 500 | Azithromycin Dihydrate USP | Tablet | 500mg | 317-151-023 | 17.04.2021 |
| 18. | Multitonic | Multivitamin + Multimineral | Syrup | Multivitamin + Multimineral | 317-165-078 | 30.10.2021 |
| 19. | Multi Silver | Multivitamin Multimineral (A-Z) Silver | Tablet | Multivitamin Multimineral (A-Z) Silver | 317-166-078 | 30.10.2021 |
| 20. | Multi Gold | Multivitamin Multimineral (A-Z) Gold | Tablet | Multivitamin Multimineral (A-Z) Gold | 317-167-078 | 30.10.2021 |
| 21. | Neurex-B | Thiamine Mononitrate USP + Pyridoxine Hydrochloride USP + Cyanocobalamin USP | Tablet | 100mg + 200mg + 200mg | 317-135-078 | 07.03.2021 |
| 22. | Prenatal | Carbonyl Iron INN + Folic Acid BP + Zinc Sulphate Monohydrate USP | Capsule | 51mg + 0.50mg + 61.8mg | 317-69-39 | 31.05.2019 |
| 23. | Prentox | Beta Carotene USP + Ascorbic Acid USP + Vitamin E Acetate BP | Tablet | 30mg + 200mg + 100mg | 317-30-39 | 09.11.2022 |
| 24. | Probac 250 | Cefuroxime USP | Tablet | 250mg | 317-179-023 | 03.10.2022 |
| 25. | Probac 500 | Cefuroxime USP | Tablet | 500mg | 317-180-023 | 03.10.2022 |
| 26. | Probac | Cefuroxime USP | Suspension | 2.5mg | 317-181-023 | 03.10.2022 |
| 27. | Sicef-250 | Cephadrine Compacted BP | Capsule | 250mg | 317-119-60 | 12.06.2020 |
| 28. | Sicef-500 | Cephadrine Compacted BP | Capsule | 500mg | 317-22-023 | 09.11.2022 |
| 29. | Sicef | Cephadrine Micronized BP | Suspension | 2.50gm | 317-23-023 | 09.11.2022 |
| 30. | Sicef | Cephadrine Micronized BP | Pediatric Drops | 10gm | 317-24-60 | 09.11.2022 |
| 31. | Sicef DS | Cephadrine Micronized USP | Suspension | 5.00gm | 317-106-023 | 17.11.2019 |
| 32. | Silox-250 | Flucloxacillin Compacted BP | Capsule | 250mg | 317-70-60 | 31.05.2019 |
| 33. | Silox-500 | Flucloxacillin Compacted BP | Capsule | 500mg | 317-25-60 | 09.11.2022 |
| 34. | Supraxim-200 | Cefixime Compacted USP | Capsule | 200mg | 317-53-023 | 20.04.2019 |

| | | | | | | |
|-----|-------------|--|------------|--|-------------|------------|
| 35. | Supraxim | Cefixime Micronized USP | Suspension | 2.00gm | 317-54-023 | 20.04.2019 |
| 36. | Tivanik-250 | Levofloxacin INN | Tablet | 250mg | 317-84-60 | 14.07.2019 |
| 37. | Tivanik-500 | Levofloxacin INN | Tablet | 500mg | 317-85-60 | 14.07.2019 |
| 38. | Vitasil B | Thiamine Mononitrate BP + Riboflavin BP + Pyridoxine Hydrochloride BP + Nicotinamide BP | Tablet | 5mg + 2mg + 2mg + 20mg | 317-17-39 | 03.10.2019 |
| 39. | Vitasil B | Thiamine Hydrochloride BP + Riboflavin BP + Pyridoxine Hydrochloride BP + Nicotinamide BP | Syrup | 100mg + 54.6mg + 40mg + 400mg | 317-05-39 | 03.10.2019 |
| 40. | Vitasil M | Multivitamins & Minerals | Tablet | 0.1gm + 0.0546gm + 0.04gm + 0.40gm + 0.54933gm | 317-31-39 | 09.11.2022 |
| 41. | Triocard | Ascorbic Acid BP + Vitamin D ₃ BP + Folic Acid BP | Tablet | 400mg + 400 IU + 2.00mg | 317-124-39 | 07.01.2021 |
| 42. | Xinoplex | Thiamine Hydrochloride BP + Riboflavin BP + Pyridoxine Hydrochloride BP + Nicotinamide BP + Zinc Sulphate BP | Syrup | 0.1gm + 0.0546gm + 0.04gm + 0.40gm + 0.54933gm | 317-130-078 | 07.01.2021 |

DESCRIPTION OF PROPERTY

We have identified that the factory of Silva Pharmaceuticals Limited is located at Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali-rented factory building & Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali-owned factory building. We have found properties at the factory like:

- 1) **Land:** We have found that 589 decimals of land. Among them 275 decimals of land are in the Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali. This land is demarcated by internal road and total area is surrounded by boundary wall. And another 314 decimals of land are in the Horinarayanpur, Noakhali. This land is demarcated by boundary pillar.

2) **Factory Building:** Details of the buildings status are discussed below:

Owned factory building:

| Number of Buildings | Type (Bricks/Tin/Prefabricated Steel) | Area (Sft) per floor | Total Building Area | Total Building Area Constructed by Company | Cost per sq. ft (BDT) | Total Cost (BDT) | Status of Use |
|---------------------|---|----------------------|---------------------|--|-----------------------|---------------------|--|
| Factory Building | Main Building: RCC Pillar, Wall-Brick Roof-Brick. (5 Storied Foundation and construction completed up- to 4 th floor) | 21,700 | 108,500 sft. | 108,500 sft. | 3,455.62 | 374,935,717 | Ground floor – Warehouse & Demineralization (DM) Plant. 1 st floor – Cephalosporin Unit 2 nd floor – Soft Gelatin Unit 3 rd and 4 th floor – Vacant (as per approved plan, dormitory in 3 rd floor and accessories store in 4 th floor will be decorated) |
| Total | | | 1,08,500 sft | 1,08,500 sft | 3,455.62 | 37,49,35,717 | |

Rented factory building:

| Number of Building | Type (Brick/Tin/Prefabricated Steel) | Area (Sft) per floor | Total Building Area | Total Building Constructed by Landlord | Status of Use |
|-------------------------|--|----------------------|---------------------|--|--|
| Rented Factory Building | Main Factory Building R.C.C Brick 4 Storied Foundation and Construction Completed | 7210 Sft | 28,840 Sft | 28,840 Sft | <p>Ground Floor: Tablet Process & Compress, Dry Syrup-Process, filling & sealing, Tablet Coating, Tablet Compress.</p> <p>First Floor: Liquid Syrup Process, bottle Drying, filling, Sealing, packing, blister packing, tablet coating, raw & packing store, finished products store.</p> <p>Second Floor: Capsule process, filling-sealing, printing and packaging, QA Section, QC lab, Micbiolab, lab instrument room,</p> <p>Third Floor: Officer Room, packing & raw materials store, print section, PD room, training room, accounts & admin room, canteen, prayer room</p> |

3) Machinery:

Owned factory building:

| Sl. | Machine Name | Quantity |
|-----|-------------------------------------|----------|
| 1 | Soft Gelatine encapsulation machine | 1 Set |

Rented factory building:

| Sl. | Machine Name | Quantity |
|-----|--|----------|
| 1 | High Performance Liquid Chromatography System(HPLC) | 1 Set |
| 2 | Melting Point Apparatus | 1 Set |
| 3 | Humidity Test Cabinet | 1 Set |
| 4 | Tablet Dissolution Tester, Tablet Friability Tester and Tablet Hardness Tester | 1 Set |
| 5 | Automatic Capsule Arrange Machine | 1 Set |
| 6 | High speed mixer emulsifier, & Heavy duty Laboratory Mixer with standard Emulsor | 1 Set |
| 7 | Automatic Capsule Filling Machine | 1 Set |
| 8 | Automatic Blister Packing Machine, Tablet Deducter, Dust Collector | 1 Set |
| 9 | SD'Punch & Die Storage Cabinet & Torley, Transportation Trolley | 1 Set |
| 10 | Automatic Liquid Filling Line | 1 Set |
| 11 | Double Rotary Tableting Machine | 1 Set |
| 12 | Granualting Machine, Sifter & Drum Mixer Machine | 1 Set |
| 13 | Tablet Coating Machine, High Speed Mixer With all accessories | 1 Set |
| 14 | Punches N Dies for Tablet Press Machine | 1 Set |
| 15 | Semi-Automatic Auger Filler-Floor | 1 Set |
| 16 | Fluid Bed Dryer | 1 Set |
| 17 | Tableting Machine parts, punches & dies | 1 Set |
| 18 | Code Dating Imprinter | 1 Set |
| 19 | Laboratory Furnace ashing and burn off. | 1 Set |
| 20 | Leak Test Apparatus Equipment | 1 Set |
| 21 | Cutting and Crussing Machine | 1 Set |
| 22 | Die Punch for Jaguar 35 B Tablet M/C, Die Punch for Jaguar 23 D Tablet M/C., Die punch for Jaguar 12 Stn Machine | 1 Set |
| 23 | Spectro Photometer | 1 Set |
| 24 | Capsule Filling Machine, Automatic Capsule loading machine | 1 Set |
| 25 | Blister Packing Machine | 4 Sets |
| 26 | Fourier Transform Infrared Spectrophotometer (FTIR) | 1 Set |
| 27 | Moisture Balance | 1 Set |
| 28 | Auto Sachet Filling Machine | 1 Set |
| 29 | High speed mixer emulsifier & Heavy duty Laboratory Mixer with standard Emulsor | 1 Set |
| 30 | Automatic Capsule Filling Machine | 1 Set |

| | | |
|----|--|--------|
| 31 | Tablet Deducter, Dust Collector | 1 Set |
| 32 | SD'Punch & Die Storage Cabinet & Torley, Transportation Trolley | 1 Set |
| 33 | Humidity Test Cabinet | 1 Set |
| 34 | High Performance Liquid Chromatography System(HPLC) | 1 Set |
| 35 | High Speed Mixer Granulator | 1 Set |
| 36 | Melting Point Apparatus | 1 Set |
| 37 | Cutting Machinery | 1 Set |
| 38 | Automatic Capsule Arrange Machine | 1 Set |
| 39 | Water Purifying Machine | 1 Set |
| 40 | Automatic Capsule Filling Machine | 1 Set |
| 41 | Automatic Capsule loading machine | 1 Set |
| 42 | SD'Punch & Die Storage Cabinet & Torley, Transportation Trolley | 1 Set |
| 43 | Punches N Dies for Tablet Press Machine | 1 Set |
| 44 | Fluid Bed Drier | 1 Set |
| 45 | Dry Powder Filling Machine | 1 Set |
| 46 | Code Dating Imprinter | 1 Set |
| 47 | Tablet Press Machine | 1 Set |
| 48 | Die Punch for Jaguar 35 B Tablet M/C, Die Punch for Jaguar 23 D Tablet M/C., Die punch for Jaguar 12 Stn Machine | 1 Set |
| 49 | Tablet Coating Machine | 1 Set |
| 50 | High Speed Mixer Granulator | 1 Set |
| 51 | Fourier Transform Infrared Spectrophotometer (FTIR) | 1 Set |
| 52 | Moisture Blance | 1 Set |
| 53 | Auto Sachet Filling Machine | 1 Set |
| 54 | Tablet Coating Machine | 1 Set |
| 55 | High Performance Liquid Chromatography System(HPLC) | 1 Set |
| 56 | Automatic Capsule Filling & Sealing Machine | 1 Set |
| 57 | Auto Liquid Filling & Sealing Machine | 2 Sets |
| 58 | Dry Powder Filling Machine | 1 Set |
| 59 | Automatic Strip Packing Machine | 1 Set |
| 60 | Spectro Photometer | 1 Set |

- 4) **Generator:** SPL has procured Diesel Generator having capacity of 600 KVA and 380 KVA in rented factory building.
- 5) **ETP:** SPL has an ETP plant to purify the waste water produced from the manufacturing process in rented factory building. The company follows the rules and guidelines of the environment directorate's policies and directives. ETP was running during our visit.
- 6) **Total number of workrs and employees:** During our visit we found 30 number of officers & staffs and 185 number of workers in rented factory building.

Signboard:

The signboard of the Company is well displayed at the registered & corporate office and both in rented and owned factory buildings and there is no other office or factory within the said factory premises.

Besides these assets, we have also found other assets like Vehicle, Electric Equipment, some scrap machineries and Others in rented factory building.

It is also mentionable here that during our visit, we have also checked Inventory register and roster (Workers' duty register) as well as talked with the workers and employees who were working in the rented factory building and found satisfactory. We have also noticed that all machineries of the company in rented factory building were in good condition and running well. However, machinery in owned factory building was not in operation.

Sd/-

Md. Rezaul Haque

Managing Director (CC)

Prime Finance Capital Management Limited

Sd/-

Md. Salauddin Sikder FCMA

CEO & Managing Director

Imperial Capital Limited

Sd/-

Abu Nayem Md. Ibrahim

Chief Executive Officer

SBL Capital Management Limited

- (xiv) **If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;**

The Company has no intellectual property right or intangible asset.

- (xv) **Full description of other properties of the issuer;**

Other properties except land and building are as follows:

| Sl. | Particulars | Written Down Value as at 30 June, 2017 |
|-----|------------------------------|--|
| 1 | Generator | 4,879,570 |
| 2 | Building Decoration | 12,260,117 |
| 3 | Electrical Installation | 1,659,958 |
| 4 | Gas Installation | 142,674 |
| 5 | Office Equipment | 16,380,989 |
| 6 | Factory Equipment | 20,315,747 |
| 7 | Furniture and Fixture | 15,269,990 |
| 8 | Vehicle | 26,099,751 |
| 9 | Power House | 415,666 |
| 10 | Laboratory Equipment | 15,118,367 |
| 11 | Factory Building & Warehouse | 214,290,833 |

(f) Plan of Operation and Discussion of Financial Condition:

The issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years:

| Particulars | 12 Months | 13 Months* | 12 Months | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| RESULTS FROM OPERATION | | | | | |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Cost of Goods Sold | (365,775,793) | (379,511,010) | (314,252,306) | (290,371,563) | (209,246,777) |
| Gross Profit | 236,715,799 | 249,255,235 | 189,624,447 | 203,563,858 | 185,901,561 |
| Operating Expenses | 112,074,765 | 92,706,814 | 66,228,299 | 59,933,766 | 51,570,583 |
| Operating Income | 124,641,034 | 156,548,421 | 123,396,148 | 143,630,092 | 134,330,978 |
| Financial Expenses | (354,646) | (36,750,662) | (44,536,085) | (66,741,616) | (65,099,393) |
| Non-operating Income | 5,665,239 | 911,168 | 1,075,458 | 2,025,425 | 2,562,375 |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | (6,188,173) | (5,748,044) | - | - | - |
| Net Profit before Income Tax | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| Income Tax Expenses | (43,484,895) | (40,236,309) | (27,977,433) | (29,592,713) | (26,922,735) |
| Current Tax Expenses | (35,724,236) | (28,644,690) | (27,977,433) | (29,592,713) | (26,922,735) |
| Deferred Tax expenses | (7,760,659) | (11,591,619) | - | - | - |
| Net Profit after Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |

* As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 1-Jun-14 | 31-May-13 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | Re-stated | Re-stated | |
| CHANGES IN FINANCIAL POSITION | | | | | |
| Non-Current Assets | 843,729,229 | 801,968,049 | 601,143,384 | 609,703,365 | 553,855,058 |
| Current Assets | 1,097,434,352 | 836,930,943 | 632,864,166 | 505,038,422 | 503,317,434 |
| Total Assets | 1,941,163,581 | 1,638,898,992 | 1,234,007,550 | 1,114,741,787 | 1,057,172,492 |
| Share Capital | 1,000,000,000 | 500,000,000 | 120,000,000 | 120,000,000 | 120,000,000 |
| Share Money Deposit | - | 154,000,000 | 217,952,000 | 90,015,000 | 90,015,000 |
| Non-Current liabilities | 86,031,226 | 175,310,350 | 177,932,720 | 189,147,198 | 143,339,341 |
| Non-Current liabilities | 86,031,226 | 175,310,350 | 177,932,720 | 189,147,198 | 143,339,341 |
| Total Equity & Liabilities | 1,941,163,581 | 1,638,898,992 | 1,234,007,550 | 1,114,741,787 | 1,057,172,492 |
| CHANGES IN CASH FLOWS | | | | | |
| Net cash inflow/(outflow) from operating activities (A) | 80,378,112 | 91,755,347 | 18,801,848 | 191,768,812 | 163,901,280 |
| Net cash inflow/(outflow) from investing activities (B) | (239,951,395) | (342,864,686) | (31,486,548) | (99,076,164) | (92,151,568) |
| Net cash inflow/(outflow) from financing activities (C) | 198,140,000 | 248,297,338 | 32,589,537 | (93,341,119) | (77,897,565) |

(a) Internal and external sources of cash;

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 1-Jun-14 | 31-May-13 |
|--|----------------------|----------------------|----------------------|--------------------|----------------------|
| | 12 Months | 13 Months* | For the year | | |
| Internal Sources of Cash | | | | | |
| Share Capital | 1,000,000,000 | 500,000,000 | 120,000,000 | 120,000,000 | 120,000,000 |
| Retained Earnings | 647,797,063 | 585,378,504 | 510,653,930 | 475,793,005 | 461,604,211 |
| Sub-Total | 1,647,797,063 | 1,085,378,504 | 630,653,930 | 595,793,005 | 581,604,211 |
| External Sources of Cash | | | | | |
| Share Money Deposit | - | 154,000,000 | 217,952,000 | 90,015,000 | 90,015,000 |
| Long Term Loan net off Current Portion | - | 97,039,783 | 111,253,772 | 128,032,447 | 143,339,341 |
| Short Term Borrowings | - | 114,583,174 | 131,967,553 | 167,472,037 | 180,621,228 |
| Current Portion of Long Term Loan | 99,000,000 | 17,377,043 | 16,778,675 | 15,306,894 | 13,450,312 |
| Sub-Total | 99,000,000 | 383,000,000 | 477,952,000 | 400,826,378 | 427,425,881 |
| Grand Total | 1,746,797,063 | 1,468,378,504 | 1,108,605,930 | 996,619,383 | 1,009,030,092 |

** As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.*

(b) **Any material commitments for capital expenditure and expected sources of funds for such expenditure;**

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned under the head 'Use of Proceeds' from IPO fund.

(c) **Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;**

The company's revenue and other income as well as operating expenses and net income have continued to change due to increasing production by adding new machine and increase sales volume.

| Particular | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|----------------------|-------------|-------------|--------------|-------------|-------------|
| | 12 Months | 13 Months* | For the year | | |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Gross Profit | 236,715,799 | 249,255,235 | 189,624,447 | 203,563,858 | 185,901,561 |
| Operating Expenses | 112,074,765 | 92,706,814 | 66,228,299 | 59,933,766 | 51,570,583 |
| Net Profit after Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |

** As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.*

Causes for changes:

Revenues:

The Company has installed new machineries in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of machineries, the company has been able to produce different products as well as to create the market of new products. So, increase of turnover of the company is relevant.

Cost of goods sold:

The Company think the costs of materials to revenue are consistent over the years.

Other operating expenses:

Increase of operating expenses in period to period is in the line with production and sale volume.

Net income:

Net income increase in period to period is in line with sales volume.

(d) **Any seasonal aspects of the issuer's business;**

SPL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of SPL.

- (e) **Any known trends, events or uncertainties that may have material effect on the issuer's future business;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- I. Political unrest
- II. Natural disaster.

- (f) **Any assets of the company used to pay off any liabilities;**

None of the assets of the company has been used to pay off any liabilities of the company.

- (g) **Any loan taken from or given to any related party or connected person of the issuer with details of the same;**

The Company did not take or give any loan from or to any related party or connected person of the issuer.

- (h) **Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;**

The Company has no plan to enter into any contract creating future liabilities for the company except for those which are created in the normal course of business activities.

- (i) **The estimated amount, where applicable, of future capital expenditure;**

The Company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.

- (j) **Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;**

VAT: There is no VAT liability of the Company as on 30 June, 2017.

Customs Duty or other tax liabilities: There is no customs duty Liability of the Company as on 30 June, 2017.

Income Tax: The Company is a regular tax payer. The TIN number of the company is 652706278754/Circles-73 (Companies), Taxes Zone-04, Chittagong. Following are the details of income tax related information of the Company:

| Accounting year | Assessment Year | Assessment Status |
|-----------------|-----------------|---|
| 30-Jun-17 | 2017-2018 | Income Tax Return is submitted and assessment is under process. |
| 30-Jun-16 | 2016-2017 | Income Tax Return is submitted and assessment is under process. |
| 31-May-15 | 2015-2016 | As per certificate given by Deputy Commissioner of Taxes (DCT), Circle-73 |

| | | |
|-----------|-----------|---|
| | | (Companies), Taxes Zone-4, Chittagong, dated 28.11.2017 the assessment of the company has been completed upto the assessment year 2015-2016 under Assessment on Correct Return (u/s-82) and tax paid in full on the basis of the return income. |
| 31-May-14 | 2014-2015 | As per certificate given by Deputy Commissioner of Taxes (DCT), Circle-73 (Companies), Taxes Zone-4, Chittagong, dated 06.11.2016 the assessment of the company has been completed upto the assessment year 2014-2015 under assessment on Correct Return (u/s-82) and tax paid in full on the basis of the return income. |
| 31-May-13 | 2013-2014 | As per certificate given by Deputy Commissioner of Taxes (DCT), Circle-73 (Companies), Taxes Zone-4, Chittagong, dated 05.01.2016 the assessment of the company has been completed upto the assessment year 2013-2014 under assessment on Correct Return (u/s-82) and tax paid in full on the basis of the return income. |

(k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;

The Company has no financial commitment, including lease commitment. However, the factory and corporate office of the Company is established in a rented space under the following condition:

Factory:

| Address | Area (Sft) | Rent/Sft. | Period | Rent p/m (Tk.) |
|--|------------|-------------|-----------------------------|----------------|
| Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali | 33,473.85 | @ Tk. 1.195 | Jun 1, 2013 to May 31, 2019 | 40,000/- |

Corporate office:

| Address | Area (Sft) | Rent/Sft. | Period | Rent p/m (Tk.) |
|---|------------|-------------|-----------------------------|----------------|
| House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh | 5,488 | @ Tk. 24.20 | Aug 1, 2008 to Jul 31, 2018 | 132,810/- |

Apart from the above, the Company has following loan.

Loans:

| Sl. | Name of Bank | Sanction Amount | Purpose of Loan | Sanction Date | Expiry Date | Installment-Monthly | Outstanding at 30 June, 2017 | Mortgage /Lien |
|-----|------------------|-----------------|-----------------|---------------|--------------|---------------------|------------------------------|--|
| 1 | NCC Bank Limited | 4.00 Crore | LC/PAD | May 03, 2010 | - | - | - | 275 decimals land and plant & machineries of SPL |
| | | 3.00 Crore | LTR | | - | - | - | |
| | | 24.00 Crore | CC (Hypo) | | - | - | - | |
| | | 19.00 Crore | Term Loan | | Apr 30, 2020 | Tk. 30.65 Lac | 99,000,000 | |

(l) **Details of all personnel related schemes for which the company has to make provision for in future years;**

The company's employee benefits include the following:

i) **Short Term Employee Benefits**

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

ii) **Workers Profit Participation Fund (WPPF) and Welfare Fund:**

The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per provision of Bangladesh Labour Law, 2006 and is payable to the workers as define in the said Law.

(m) **Break down of all expenses related to the public issue;**

The following amount to be paid to the Issue Managers, Underwriters and other costs are as follows:

| Sl. No. | Particulars | Basis | Amount in BDT (approx.) | |
|-----------|---|---|-------------------------|-----------|
| A. | MANAGERS TO THE ISSUE FEES | | | 3,450,000 |
| 1 | Issue Management fee | Maximum 2% (two percent) of the public offer amount. | 3,000,000 | |
| 2 | VAT against Issue Management Fees | 15% of issue management fees | 450,000 | |
| B. | FEES RELATED TO LISTING WITH THE STOCK EXCHANGES | | | 5,720,000 |
| 3 | Prospectus Submission Fees to DSE & CSE | Fixed | 100,000 | |
| 4 | DSE and CSE Annual Fee | @ 0.05% on Tk. 100 Crore of paid-up capital and 0.02% on the rest amount of paid-up capital; (minimum Tk. 50 thousand and Maximum Tk. 6 lacs for each exchanges | 1,120,000 | |
| 5 | Fees related to Listing with the stock exchanges | @ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand and maximum Tk. 1 crore for each exchanges) | 4,100,000 | |
| 6 | Data Transmission Fee for DSE & CSE | Fixed | 400,000 | |

| | | | | |
|--------------------|--|---|-----------|-------------------|
| C. | BSEC FEES | | | 1,250,000 |
| 7 | Application fee | Tk. 50,000.00 (non-refundable) | 50,000 | |
| 8 | Consent fee | 0.40% on the public offer amount. | 1,200,000 | |
| D. | IPO RELATED FEES | | | 725,000 |
| 9 | Underwriting commission (0.50%) | Maximum 1% (one percent) on 35% (thirty five percent) of the public offer amount. | 525,000 | |
| 10 | Auditors Certification fees | At Actual | 200,000 | |
| E. | CDBL FEES AND EXPENSES | | | 803,500 |
| 11 | Security Deposit | At Actual | 500,000 | |
| 12 | Documentation fee | At Actual | 2,500 | |
| 13 | Annual fee | At Actual | 100,000 | |
| 14 | Connection Fee (TK. 500 per month* 12) | At Actual | 6,000 | |
| 15 | Initial Public Offering fee | @.015% of issue size+.015% of Pre-IPO paid up capital | 195,000 | |
| F. | PRINTING AND POST PUBLIC OFFER EXPENSES | | | 10,551,500 |
| 16 | Publication of prospectus | Estimated (to be paid at actual) | 650,000 | |
| 17 | Abridge Version of Prospectus and Notice in 4 daily newspaper | Estimated (to be paid at actual) | 600,000 | |
| 18 | Notice for prospectus, Lottery, Refund etc. in 4 daily newspaper | Estimated (to be paid at actual) | 250,000 | |
| 19 | Lottery related expenses including BUET fee | Estimated (to be paid at actual) | 800000 | |
| 20 | Data Processing and Share Software Charge | Estimated (to be paid at actual) | 7,753,100 | |
| 21 | Courier Expenses | Estimated (to be paid at actual) | 250,000 | |
| 22 | Administrative & Stationary Expense | Estimated (to be paid at actual) | 248,400 | |
| Grand Total | | | | 22,500,000 |

N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.

- (n) **If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;**

Silva Pharmaceuticals Limited has not made any revaluation of its asset.

- (o) **Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;**

The Company has no subsidiary nor it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

(p) **Financial Information of Group Companies and Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:**

| SL. No. | Name of Companies | 1) Date of Incorporation | 2) Nature of Business | Accounting Year | 3) Equity Capital | 4) Reserves (In crore) | 5) Sales (In crore) | 6) Profit After Tax (In Crore) | 7) EPS & Diluted EPS | 8) NAV | 9) Status of Listing | 10) Information Regarding Significant Adverse Factors | 11) Has Become Sick or is under winding up |
|---------|---------------------------------------|--------------------------|---|------------------|-------------------|------------------------|---------------------|--------------------------------|----------------------|----------|----------------------|---|--|
| 1 | Al Amin Bread & Biscuits Ltd. | 02.09.1968 | Manufacturing and marketing of Biscuits | 31-Dec-16 | 150,000,000 | 82.36 | 127.59 | 17.65 | 117.66 | 786.66 | N/A | N/A | N/A |
| | | | | 31-Dec-15 | 150,000,000 | 66.51 | 114.53 | 15.84 | 105.6 | 678.8 | | | |
| | | | | 31-Dec-14 | 150,000,000 | 51.16 | 111.99 | 15.35 | 102.33 | 586.47 | | | |
| 2 | Adarsha Fisheries & Poultry Farm Ltd. | 15.07.1998 | Fisheries & Poultry Farm Sector | 30-Jun-16 | 200,000 | 6.7 | 2.16 | 0.67 | 3343.68 | 33600.12 | N/A | N/A | N/A |
| | | | | 30-Jun-15 | 200,000 | 6.13 | 1.97 | 0.61 | 3058.23 | 30269.27 | | | |
| | | | | 30-Jun-14 | 200,000 | 5.42 | 1.68 | 0.58 | 2911.55 | 27211.03 | | | |
| 3 | S. R. Fisheries & Dairy Farm Ltd. | 15.07.1998 | Fisheries & Dairy Farm Sector | 30-Jun-16 | 200,000 | 6.25 | 2.07 | 0.64 | 3230.23 | 31372.16 | N/A | N/A | N/A |
| | | | | 30-Jun-15 | 200,000 | 5.61 | 1.89 | 0.59 | 2969.57 | 28165.91 | | | |
| | | | | 30-Jun-14 | 200,000 | 5.02 | 1.52 | 0.45 | 2263.28 | 25204.26 | | | |
| 4 | Al-Amin Agro Fisheries Complex Ltd. | 15.07.1998 | Agro-based Sector | 30-Jun-16 | 200,000 | 6.01 | 1.95 | 0.64 | 3227.25 | 30156.15 | N/A | N/A | N/A |
| | | | | 30-Jun-15 | 200,000 | 5.36 | 1.78 | 0.59 | 2936.31 | 26893.38 | | | |
| | | | | 30-Jun-14 | 200,000 | 4.77 | 1.54 | 0.5 | 2496.07 | 23957.07 | | | |
| 5 | AGI Flour Mills Ltd. | 09.07.2012 | Manufacturing & Marketing of Flour, Atta, Suji etc. | Not in operation | 10,000,000 | Not in operation | | | | N/A | N/A | N/A | |

12) The related business transactions within the group and their significance on the financial performance of the issuer;

There were no related business transactions within the group, which have significance on the financial performance of the issuer.

13) Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions

There were no transactions of Silva Pharmaceuticals Limited between group companies/subsidiaries/associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company.

- (q) **Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer**

Not applicable.

- (r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

**AUDITOR'S CERTIFICATE REGARDING ALLOTMENT OF SHARES TO PROMOTERS OR SPONSOR SHAREHOLDERS FOR
CONSIDERATION IN CASH/OTHER THAN CASH**

This is to certify that the paid-up capital of Silva Pharmaceuticals Limited as of March 31, 2017, was **Tk. 1,000,000,000** divided into **100,000,000** Ordinary Shares of **Tk. 10.00** each. Details are follows:

| Particulars of Allotment | Date of Allotment | Form of Consideration (No. of Shares) | | | | Face Value of Share (Tk.) | Paid-up Capital |
|--|-------------------|---|---|--------------------|-------|---------------------------|----------------------|
| | | In cash | | Other than in cash | Bonus | | |
| | | Considering Face Value of Tk.100 each Share | Considering Face Value Tk.10 each Share after split | | | | |
| 1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation) | 24-Apr-01 | 20,000 | - | - | - | 100.00 | 2,000,000 |
| 2 nd | 20-Jun-02 | 190,000 | - | | | 100.00 | 19,000,000 |
| 3 rd | 21-Jun-03 | 300,000 | - | | | 100.00 | 30,000,000 |
| 4 th | 20-Aug-04 | 690,000 | - | | | 100.00 | 69,000,000 |
| 5 th | 30-Sep-15 | - | 38,000,000 | - | - | 10.00 | 380,000,000 |
| 6 th | 24-Jul-16 | - | 15,000,000 | - | - | 10.00 | 150,000,000 |
| 7 th | 20-Feb-17 | - | 35,000,000 | | | 10.00 | 350,000,000 |
| Total | | | | | | 10.00 | 1,000,000,000 |

The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 22, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.

We certify that the Company has not issued any shares otherwise than for cash and the books of accounts of the Company have been verified and found in order.

Place: Dhaka
Date: June 20, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

- (s) **Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public**

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public

- (t) **Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;**

Business Strategies

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

1. **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.
2. **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.
 - Lower price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.
 - Product Differentiating: By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.
 - Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale.

Future plans

In persuasion of aforesaid Strategies SPL and its experienced team have been working insistently keeping in consideration future as well. SPL has a planned for acquisition of Machinery & Equipment, Construction and other civil works, repayment of long term loan by using IPO proceeds.

(u) Discussion on the results of operations shall inter-alia contain the following:

- 1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|------------------------------|-------------|-------------|--------------|-------------|-------------|
| | 12 Months | 13 Months* | For the year | | |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Cost of Goods Sold | 365,775,793 | 379,511,010 | 314,252,306 | 290,371,563 | 209,246,777 |
| Gross Profit | 236,715,799 | 249,255,235 | 189,624,447 | 203,563,858 | 185,901,561 |
| Net Profit before Income Tax | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| Net Profit after Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |

* As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.

- 2) A summary of major items of income and expenditure;

Major items of income:

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|----------------------|-------------|-------------|--------------|-------------|-------------|
| | 12 Months | 13 Months* | For the Year | | |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Non-operating Income | 5,665,239 | 911,168 | 1,075,458 | 2,025,425 | 2,562,375 |

Major items of Expenditure:

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|--------------------|-------------|-------------|--------------|-------------|-------------|
| | 12 Months | 13 Months* | For the Year | | |
| Cost of Goods Sold | 365,775,793 | 379,511,010 | 314,252,306 | 290,371,563 | 209,246,777 |
| Operating Expenses | 112,074,765 | 92,706,814 | 66,228,299 | 59,933,766 | 51,570,583 |
| Financial Expenses | 354,646 | 36,750,662 | 44,536,085 | 66,741,616 | 65,099,393 |

* As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.

- 3) The income and sales on account of major products or services;

The income and sales on account of major products or services are as follows:

| Products | For the period ended Jun 30, 2017 | | For the period ended Jun 30, 2016 | |
|--------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | (12 Months) | | (13 months*) | |
| | Revenue (Tk.) | % | Revenue (Tk.) | % |
| Tablet | 350,448,751 | 58.17% | 376,068,608 | 59.81% |
| Capsule | 189,836,346 | 31.51% | 192,308,185 | 30.59% |
| Liquid | 48,562,231 | 8.06% | 47,398,210 | 7.54% |
| Dry Syrup | 13,644,264 | 2.26% | 12,991,242 | 2.07% |
| Total | 602,491,592 | 100.00% | 628,766,245 | 100.00% |

* As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.

- 4) **In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;**

The Company's other income is not more than 10% of the total income.

- 5) **If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;**

The Company's income is not dependent upon a single customer or a few major customers nor foreign customer.

- 6) **In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.**

The issuer has not followed any unorthodox procedure for recording sales and revenues.

(v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

| Particulars | 12 Months | 13 Months* | For the year | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Cost of Goods Sold | 365,775,793 | 379,511,010 | 314,252,306 | 290,371,563 | 209,246,777 |
| Gross Profit | 236,715,799 | 249,255,235 | 189,624,447 | 203,563,858 | 185,901,561 |
| Operating Expenses | 112,074,765 | 92,706,814 | 66,228,299 | 59,933,766 | 51,570,583 |
| Operating Income | 124,641,034 | 156,548,421 | 123,396,148 | 143,630,092 | 134,330,978 |
| Financial Expenses | 354,646 | 36,750,662 | 44,536,085 | 66,741,616 | 65,099,393 |
| Net Operating Profit | 124,286,388 | 119,797,759 | 78,860,063 | 76,888,476 | 69,231,585 |
| Non-operating Income | 5,665,239 | 911,168 | 1,075,458 | 2,025,425 | 2,562,375 |
| Net Profit before Contribution to WPPF | 129,951,627 | 120,708,927 | 79,935,521 | 78,913,901 | 71,793,960 |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | 6,188,173 | 5,748,044 | - | - | - |
| Net Profit before Income Tax | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| Income Tax Expenses | 43,484,895 | 40,236,309 | 27,977,433 | 29,592,713 | 26,922,735 |
| Current Tax Expenses | 35,724,236 | 28,644,690 | 27,977,433 | 29,592,713 | 26,922,735 |
| Deferred Tax expenses | 7,760,659 | 11,591,619 | - | - | - |
| Net Profit after Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |

* As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.

Analysis of reasons for the changes in significant items of income and expenditure:

The company has installed new machineries in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of machineries, the company has been able to produce different products as well as to create the market of new products. So, increase of turnover of the company is relevant.

- 1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

- 2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i. Political unrest
- ii. Natural disaster

- 4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

We are aware of the fact that future is always uncertain that affect business. It is expected that labor and material price will go up in future because of inflation and other factors. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in sales price.

- 5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

There is no material increase in sales volume or revenue due to increased sales volume, introduction of new products or services or increased sales prices.

- 6) **Total turnover of each major industry segment in which the issuer operated;**

Pharmaceuticals products are met one of the basic needs for all living being. It is one of the fastest growing industries in the world. According to IMS by 2017

demand of pharma products will be USD 1,200 billion, which was USD 965 billion in the year 2012.

According to the same source, in the year 2014 Bangladesh pharma market size was Tk. 10,600 crore with a growth percentage 8.48. For the year ended 30 June 2016 IBPL sales was Tk. 44.48 crore. According to IMS in the year 2015 Bangladesh pharma market size was Tk. 12,000 crore. Insiders of the industry apprehend that by the year 2020 Bangladesh pharma size will be Tk. 20,000 crore. They also apprehend that pharma products are going to be added into the Bangladesh export basket in a big way within couple of years.

Therapeutic class wise sales of pharma product in the year 2014 & 2015:

(Amount in BDT Crore)

| Sl. | Name of the Therapeutic class | 30 June 2015 | | 30 June 2014 | |
|-----|-------------------------------|--------------|--------------|--------------|--------------|
| | | Sales | Market share | Sales | Market share |
| 1 | Alimentary T.& Metabolism | 4,145.64 | 34.68 | 3,635.51 | 34.34 |
| 2 | Systemic Anti-Infectives | 2,197.38 | 18.38 | 2,045.58 | 19.32 |
| 3 | Nervous System | 1,242.44 | 10.39 | 1,138.74 | 10.76 |
| 4 | Cardiovascular System | 1,153.32 | 9.65 | 988.34 | 9.34 |
| 5 | Respiratory System | 1,051.38 | 8.79 | 881.82 | 8.33 |
| 6 | Musculo-Skeletal System | 654.66 | 5.48 | 576.17 | 5.44 |
| 7 | G.U. System & Sex Hormones | 354.00 | 2.96 | 285.72 | 2.70 |
| 8 | Dermatologicals | 288.04 | 2.41 | 247.00 | 2.33 |
| 9 | Blood + B.Forming Organs | 247.27 | 2.07 | 223.41 | 2.11 |
| 10 | Sensory Organs | 185.12 | 1.55 | 160.34 | 1.51 |
| 11 | Systemic Hormones | 137.41 | 1.15 | 119.72 | 1.13 |
| 12 | Hospital Solutions | 127.06 | 1.06 | 128.88 | 1.22 |
| 13 | Parasitology | 113.56 | 0.95 | 109.70 | 1.04 |
| 14 | Antineoplast+Immunomodul | 34.47 | 0.29 | 28.51 | 0.27 |
| 15 | Various | 22.96 | 0.19 | 16.58 | 0.16 |
| 16 | Diagnostic Agents | 0.13 | 0.00 | 0.34 | 0.00 |

Source: <http://www.lightcastlebd.com/blog/2015/12/market-insight-how-the-bangladesh-pharmaceutical-sector-is-performing-in-2015>

- 7) **Status of any publicly announced new products or business segment;**
The Company did not announce new products or business segment.
- 8) **The extent to which the business is seasonal.**
SPL supplies its products to its regular buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects adversely affect the business of SPL.

- (w) **Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company:**

Rescheduling of borrowings with banks:

The Company did not reschedule of its borrowing with financial institutions or banks.

Conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company

There is no history of conversion of loan into equity, lock out and strikes.

- (x) **Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

- (y) **Injunction or restraining order, if any, with possible implications;**

There was no injunction or restraining order.

- (z) **Technology, market, managerial competence and capacity built-up;**

Technology:

Silva Pharmaceuticals Limited has been using sophisticated machineries and modern technology in order to produce high quality of medicine. Market has been growing up and the Company has good opportunity to maximize market share.

Market:

Pharmaceuticals products are met one of the basic needs for all living being. It is one of the fastest growing industries in the world. According to IMS by 2017 demand of pharmaceuticals products will be USD 1,200 billion, which was USD 965 billion in the year 2012.

Pharmaceuticals products are met one of the basic needs for all living being. It is one of the fastest growing industries in the world. According to IMS by 2017, demand of pharmaceuticals products will be USD 1,200 billion. According to the same source, in the year 2016 Bangladesh pharmaceuticals market size was Tk. 16,000 crore. For the year ended June 30, 2017 SPL's domestic sales was Tk. 60.25 crore with a growth 2.82% compared to last same year sales.

Managerial competence:

All the members of the management team of the Company are highly qualified, trained & skilled professionals, well experienced and extremely devoted. The management team is led by Dr. Saira Khan, Managing Director & Director and acts for the best interest of the Company.

The expert team of SPL, which consists of 1,034 employees from various disciplines, are seasoned and experienced enough to use the facilities for production to fulfill the demand of target customers.

Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology, among others.

Capacity built-up:

To keep pace with the contemporary technology and customer demand the Company continuously investing and deploying enough resources including human resources.

(aa) Changes in accounting policies in the last three years;

The management of the Company has not changed any accounting policies in the last three years.

- (bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months;

A statement by the directors:

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Silva Pharmaceuticals Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-

Mrs. Silvana Mirza
Chairman

Sd/-

Mrs. Samina Mirza
Director

Sd/-

Mrs. Farhana Mirza
Director

Sd/-

Md. Nazrul Islam Khan, Nominated by
Investment Corporation of Bangladesh (ICB)
Director

Sd/-

Dr. Saira Khan
Director & Managing Director

Sd/-

Mr. Monsur Rahman, Nominated by
Adarsha Fisheries & Poultry Farm Ltd.
Director

Sd/-

Md. Musfiqur Rahman FCA
Independent Director

Sd/-

Tanha Zarrin Ahmed
Independent Director

(cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

Unaudited 3rd quarter financial statements for the period ended July 01, 2017 to March 31, 2018 are as follows:

Financial Statements (Unaudited)

SILVA PHARMACEUTICALS LTD.

Statement of Financial Position

As at 31 March, 2018

| Particulars | Amount in Taka | |
|--|----------------------|----------------------|
| | 31-Mar-18 | 30-Jun-17 |
| ASSETS | | |
| Non Current Assets | 896,146,512 | 843,729,229 |
| Property, Plant & Equipment | 712,931,235 | 706,738,552 |
| Capital work-in-Progress | 183,215,277 | 136,990,677 |
| Current Assets | 1,106,118,667 | 1,097,434,352 |
| Inventories | 386,982,916 | 369,548,334 |
| Trade and Other Receivables | 247,862,481 | 253,498,965 |
| Advances, Deposits and Prepayments | 325,349,760 | 270,877,947 |
| Investment in FDR | 97,500,000 | 120,000,000 |
| Cash and Cash Equivalents | 48,423,510 | 83,509,106 |
| Total Assets | 2,002,265,179 | 1,941,163,581 |
| SHAREHOLDERS EQUITY AND LIABILITIES: | | |
| Equity attributable to the Shareholders | 1,694,202,509 | 1,647,797,063 |
| Share Capital | 1,000,000,000 | 1,000,000,000 |
| Retained Earnings | 694,202,509 | 647,797,063 |
| Non-Current Liabilities | 89,919,563 | 86,031,226 |
| Deferred Tax Liabilities | 89,919,563 | 86,031,226 |
| Current Liabilities | 218,143,107 | 207,335,292 |
| Trade and Other Payables | 3,175,375 | 4,311,781 |
| Current Portion of Long term Loan | 101,722,500 | 99,000,000 |
| Provision for Expenses | 113,245,232 | 104,023,511 |
| Total Liabilities | 308,062,670 | 293,366,518 |
| Total Equity & Liabilities: | 2,002,265,179 | 1,941,163,581 |
| Net Assets Value (NAV) per share | 16.94 | 16.48 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Silva Pharmaceuticals Ltd
Statements of Profit or Loss and other Comprehensive Income
For the Third Quarter ended 31 March, 2018

| Particulars | <i>Amount in Taka</i> | | | |
|---|-----------------------------|-----------------------------|-----------------------------|--------------------------------|
| | <i>Nine Months Ended</i> | | <i>Third Quarter Ended</i> | |
| | 01/07/2017 to 31/03/2018 | 01/07/2016 to 31/03/2017 | 01/01/2018 to 31/03/2018 | 01/01/2017 to 31/03/2017 |
| Turnover | 517,397,763 | 433,248,061 | 168,528,645 | 151,044,036 |
| Cost of goods sold | (304,732,984) | (261,860,737) | (100,351,131) | (91,877,345) |
| Gross Profit | 212,664,779 | 171,387,324 | 68,177,514 | 59,166,691 |
| Operating expenses | (93,041,994) | (81,869,542) | (32,138,208) | (27,911,445) |
| Operating Income | 119,622,785 | 89,517,782 | 36,039,306 | 31,255,246 |
| Financial expenses | (2,871,904) | (285,729) | (2,722,500) | (117,408) |
| Net Operating Profit | 116,750,881 | 89,232,053 | 33,316,806 | 31,137,838 |
| Interest and Other income | 7,369,121 | 3,166,190 | 2,434,955 | 2,169,026 |
| Net Profit before Contribution to WPPF | 124,120,002 | 92,398,243 | 35,751,761 | 33,306,864 |
| Provision for Contribution to Worker's Profit | (5,910,476) | (4,399,916) | (1,702,465) | (1,586,041) |
| Participation fund (WPPF) | | | | |
| Net Profit before Income Tax | 118,209,526 | 87,998,327 | 34,049,296 | 31,720,823 |
| Income Tax Expenses: | (41,574,080) | (30,799,415) | (11,917,254) | (11,102,289) |
| Current Tax Expenses | (37,685,743) | (26,670,375) | (10,302,479) | (9,816,683) |
| Deferred Tax expenses | (3,888,337) | (4,129,040) | (1,614,775) | (1,285,606) |
| Net Profit after tax | 76,635,446 | 57,198,912 | 22,132,042 | 20,618,534 |
| Earnings Per Share (EPS) | 0.77 | 0.81 | 0.22 | 0.26 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

SILVA PHARMACEUTICALS LTD.
Statement of Changes in Equity
For the Third Quarter ended 31 March, 2018

| Particulars | <i>(Amount in Taka)</i> | | |
|--|-------------------------|--------------------|----------------------|
| | Share Capital | Retained Earnings | Total |
| Balance as on 1st July, 2017 | 1,000,000,000 | 647,797,063 | 1,647,797,063 |
| Net profit after tax during the period | - | 76,635,446 | 76,635,446 |
| Issue of Share Capital | - | - | - |
| Dividend Paid | - | (30,230,000) | (30,230,000) |
| Balance as at 31 March, 2018 | 1,000,000,000 | 694,202,509 | 1,694,202,509 |

For the Third Quarter ended 31 March, 2017

| Particulars | <i>(Amount in Taka)</i> | | |
|--|-------------------------|--------------------|----------------------|
| | Share Capital | Retained Earnings | Total |
| Balance as on 1st July, 2016 | 500,000,000 | 585,378,504 | 1,085,378,504 |
| Issue of Share Capital | 500,000,000 | - | 500,000,000 |
| Net profit after tax during the period | - | 57,198,912 | 57,198,912 |
| Dividend Paid | - | (17,860,000) | (17,860,000) |
| Balance as at 31 March, 2017 | 1,000,000,000 | 624,717,416 | 1,624,717,416 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

SILVA PHARMACEUTICALS LTD.
Statement of Cash Flows
For the Third Quarter ended 31 March, 2018

| Particulars | Amount in Taka | |
|---|-----------------------------|-----------------------------|
| | 01/07/2017 to 31/03/2018 | 01/07/2016 to 31/03/2017 |
| Cash flows from Operating Activities | | |
| Cash received from Customers | 521,299,685 | 445,197,674 |
| Cash received from non-operating income | 9,103,683 | 3,166,190 |
| Cash Paid to Suppliers | (272,233,039) | (288,913,185) |
| Cash Paid to Employees | (77,387,975) | (77,551,475) |
| Cash Paid for Others | (42,069,174) | (27,273,825) |
| Income Tax Paid | (45,374,234) | (20,356,305) |
| Net cash inflow/(outflow) from operating activities (A) | 93,338,946 | 34,269,074 |
| Cash flows from Investing Activities | | |
| Acquisition of Property, Plant and Equipment | (39,213,942) | - |
| Cash Payments for Capital Work-in-progress | (51,480,600) | (86,451,015) |
| Cash Payments for FDR | 22,500,000 | (120,000,000) |
| Cash Payments for Advance against acquisition of land | (30,000,000) | (29,200,000) |
| Net cash inflow/(outflow) from investing activities (B) | (98,194,542) | (235,651,015) |
| Cash flows from Financing Activities | | |
| Long Term Loan received/(Repaid) | - | (15,416,826) |
| Short Term Loan received/(Repaid) | - | (114,583,174) |
| Dividend Paid | (30,230,000) | (17,860,000) |
| Share Money Received | - | 346,000,000 |
| Net cash inflow/(outflow) from financing activities (C) | (30,230,000) | 198,140,000 |
| Net increase/(decrease) of Cash and Cash Equivalents (A+B+C) | (35,085,596) | (3,241,941) |
| Cash and Cash Equivalents at the beginning of the period | 83,509,106 | 44,942,389 |
| Cash and Cash Equivalents at the end of the period | 48,423,510 | 41,700,448 |
| | | |
| Net Operating Cash Flow Per Share | 0.93 | 0.49 |

Sd/-
Chief Financial Officer

Sd/-
Managing Director

(dd) **Factors that may affect the results of operations.**

There are no such factors that may affect the results of operations except acquisition of machinery which will increase capacity and sales.

CHAPTER (VII)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

(a) **Overview of business and strategies:**

Overview of business:

Silva Pharmaceuticals Limited was incorporated as a Private Limited Company on April 24, 2001 and subsequently converted into a Public Limited Company on April 22, 2014 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is CH-42959(2318)/2001. The Company started its commercial operation on July 01, 2003.

SPL has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti-inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local market. SPL has earned a reputation as a successful medicine manufacturer over the last few years.

Strategies:

A business strategy sets out to achieve the desired goals. Business strategy is defined as long-term business planning which is concerned with the scope of a business' activities.

Two main categories of can be defined as

- a) Generic Strategy
- b) Competitive Strategy

1. **Generic Strategy:** It is concerned with growth. Now company is in planning to invest in fixed assets in order to expand its existing business.
2. **Competitive Strategy:** It is concerned with doing things better than rivals. The following competitive strategies are in place.
 - Lower price: In order to be market Leader Company is trying to be competitive price to deal with its rivals.
 - Product Differentiating: By differentiating in the product line, company will be able to make higher price for its product. Hence, product differentiation is on the mind.
 - Economic Scale: With a view to spreading the fixed cost over more units company is trying to increase economic of scale.

(b) SWOT ANALYSIS:

Strengths

1. **Strong Management:** The Company has good management to run the company efficiently.
2. **Product line variety:** The Company's product line has variety. The company sells different line of product
3. **Modern Machineries:** The Company has been using modern machineries that smooth our operation.
4. **Technology:** The Company has latest tools and technologies to support production.
5. **Dedicated Workforce:** Company has dedicated human resources.

Weaknesses

1. **Low Financial Position:** Company needs more finance to be competitive over its rivals.
2. **Innovation:** Innovative effectiveness is low due to the lack of the sophisticated equipment, lack of the capital, lack of the skilled manpower, and the lack of the professionals in our country.

Opportunity

1. **High Demand:** The product demand is high and vibrant.
2. **Industry Performance:** Pharmaceutical industry depends on organic chemical. Chemical industry is very competitive and fragmented. So supplier switching is easier.
3. **Cheap Labor:** Labor wages is favorable comparing to that of other countries.
4. **Reasonable Product Price:** Consumers don't bother about the pricing as the medicine is life saving product.

Threat

1. **Intense Competition:** There is high rivalry among the competitors to get the market share as maximum as possible.
2. **Shortage of Power:** lack of opportunity to supply emergency power.

(c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue/sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 12 Months | 13 Months* | For the year | | |
| Revenues | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Other Income | 5,665,239 | 911,168 | 1,075,458 | 2,025,425 | 2,562,375 |
| Total Income | 608,156,831 | 629,677,413 | 504,952,211 | 495,960,846 | 397,710,713 |
| Cost of Materials | 311,090,311 | 329,269,284 | 261,267,433 | 228,166,125 | 135,302,582 |
| Financial Expenses | 354,646 | 36,750,662 | 44,536,085 | 66,741,616 | 65,099,393 |
| Depreciation Expense | 48,990,215 | 43,540,021 | 40,046,529 | 43,227,860 | 45,403,510 |
| Amortization Expense | - | - | - | - | - |
| Others Expense | 112,074,765 | 92,706,814 | 66,228,299 | 59,933,766 | 51,570,583 |
| Changes of Inventories | 64,212,418 | 27,995,797 | 75,069,179 | (6,008,809) | (12,160,728) |
| Net Profit Before Tax | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| Net Profit After Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |
| EPS | 1.03 | 1.24 | 1.06 | 1.00 | 0.91 |

** As per section 2 (35)(a) of the Income Tax Ordinance, 1984, SPL prepared its financial statements for the year ended 30 June, 2016.*

Reason of Fluctuation:

Revenue:

The Company has installed new machineries in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of machineries, the company has been able to produce different products as well as to create the market of new products. So, increase of turnover of the company is relevant.

Other Income:

Other income has been generated from interest of FDR and sale of wastages.

Total Income:

Since Revenue is increased, so naturally total income has been increased.

Cost of Materials:

The costs of materials to revenue are consistent over the years.

Finance Cost and Bank Charge:

The Company has taken long term loan from bank for importing new machineries and construction of building. We also availed various short term loan facilities from bank. So, the finance cost and bank charge increased and the trend is relevant to the production and also consistent with the revenue.

Depreciation and Amortization:

The Company has increased our capacity installing new machineries, build up factory building and other assets. So, depreciation has been charged / increased accordingly.

The Company did not amortize any of its capital expenditure during the last five years.

Other Expenses:

The Company did not incur any other expenses other than regular expenses during the last five years

Changes of inventory:

There has been increasing of installed capacity and sales volume over the year. The demand for our products is also increasing. So, we have to maintain sufficient amount of inventory in order to meet the sales order. Thus, inventory is increasing year to year.

Net profit before and after Tax and Earnings per Share

The growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last five years on the above matters.

Earnings per Share are properly calculated through using weighted average number of ordinary shares for each year.

(d) **Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:**

At present, there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the following events:

- i. Political unrest
- ii. Natural disaster

(e) **Trends or expected fluctuations in liquidity:**

There are no trends or expected fluctuations in liquidity.

(f) **Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:**

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

CHAPTER (VIII)

DIRECTORS AND OFFICERS

(a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

| Sl. | Particulars | Details |
|-----|--|---|
| 1 | Name: | Mrs. Silvana Mirza |
| | Position: | Chairman |
| | Father's Name: | Md. Anwar Mirza |
| | Age: | 39 Years |
| | Residential Address: | Korsa-De-Carena, Plat- B2, House No. 57, Road No. 8/A, Dhanmondi, Dhaka-1209 |
| | Educational Qualification | Master of Arts |
| | Experience: | 21 Years |
| | Name of the Institutions and Duration for Nominated Director | N/A |
| 2 | Name: | Mrs. Samina Mirza |
| | Position: | Director |
| | Father's Name: | Md. Anwar Mirza |
| | Age: | 32 Years |
| | Residential Address: | Rita Kunja, Harinarayanpur, Maijdee, Noakhali |
| | Educational Qualification | Graduate from University of East London, UK |
| | Experience: | 14 Years |
| | Name of the Institutions and Duration for Nominated Director | N/A |
| 3 | Name: | Mrs. Farhana Mirza |
| | Position: | Director |
| | Father's Name: | Md. Anwar Mirza |
| | Age: | 31 Years |
| | Residential Address: | Road No. 114, Plot No. 35, Flat No. B2, Gulshan-2, Dhaka -1212 |
| | Educational Qualification | Master of Arts |
| | Experience: | 13 Years |
| | Name of the Institutions and Duration for Nominated Director | N/A |
| 4 | Name: | Md. Nazrul Islam Khan |
| | Position: | Director |
| | Father's Name: | Late Monu Khan |
| | Age: | 57 Years |
| | Residential Address: | Flat No. A/5, 688, Bora Mogbazar Ramna-1217, Dhaka |
| | Educational Qualification | MBA |
| | Experience: | 33 Years |
| | Name of the Institutions and Duration for Nominated Director | Nominated by Investment Corporation of Bangladesh (ICB) for 2 years from the date of 5 December, 2016 |
| 5 | Name: | Dr. Saira Khan |
| | Position: | Director & Managing Director |

| | | |
|--|--|---|
| | Father's Name: | Lt. Gen. (Retd.) M. Nooruddin Khan |
| | Age: | 36 Years |
| | Residential Address: | House No. 35, Road No. 114, Gulshan-2, Dhaka |
| | Educational Qualification | MBBS, FCPS & DCH |
| | Experience: | 13 Years |
| | Name of the Institutions and Duration for Nominated Director | N/A |
| 6 | Name: | Mr. Monsur Rahman |
| | Position: | Director |
| | Father's Name: | Mr. Sajedur Rahman |
| | Age: | 32 Years |
| | Residential Address: | 152/1, Boro Mogbazar, Ramna-1217, Dhaka |
| | Educational Qualification | BSC in Electronic & Tele Communication Engineering |
| | Experience: | 5 Years |
| Name of the Institutions and Duration for Nominated Director | Nominated by Adarsha Fisheries & Poultry Farm Ltd. for 2 years from the date of 12 March, 2017 | |
| 7 | Name: | Md. Musfiqur Rahman FCA |
| | Position: | Independent Director |
| | Father's Name: | Late Azizur Rahman |
| | Age: | 51 Years |
| | Residential Address: | House # 206/A, Road # 19 (Old), West Dhanmondi, Dhaka-1209. |
| | Educational Qualification | FCA |
| | Experience: | 29 Years |
| | Name of the Institutions and Duration for Nominated Director | 3 Yrs. from the date of 25 May, 2017 |
| 8 | Name: | Tanha Zarrin Ahmed |
| | Position: | Independent Director |
| | Father's Name: | Zaker Ahmed FCA |
| | Age: | 33 Years |
| | Residential Address: | House # 18, Road # 9/C, Sector # 5, Uttara, Dhaka-1230 |
| | Educational Qualification | Masters of Laws (LLM), from University of London |
| | Experience: | 12 Years |
| | Name of the Institutions and Duration for Nominated Director | 3 years from the date of 25 May, 2017 |

(b) Date of first Directorship and Expiry of Current Tenure of the directors:

| SL. | Name of the Director | Position | Date of first Directorship | Date of Expiration of Current term |
|-----|---|------------------------------|----------------------------|------------------------------------|
| 1 | Mrs. Silvana Mirza | Chairman | 24-Apr-01 | 17th AGM in 2018 |
| 2 | Dr. Saira Khan | Director & Managing Director | 12-Mar-17 | 18th AGM in 2019 |
| 3 | Mrs. Samina Mirza | Director | 24-Apr-01 | 16th AGM in 2017 |
| 4 | Mrs. Farhana Mirza | Director | 24-Apr-01 | 17th AGM in 2018 |
| 5 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director | 12-Mar-17 | 18th AGM in 2019 |
| 6 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Director | 5-Dec-16 | 16th AGM in 2017 |
| 7 | Md. Musfiqur Rahman FCA | Independent Director | 25-May-17 | 18th AGM in 2019 |
| 8 | Tanha Zarrin Ahmed | Independent Director | 25-May-17 | 18th AGM in 2019 |

(c) Name of Interest and Involvement in other business/organization of directors:

| Sl. | Name & Designation in SPL | Designation in SPL | Directorship/Ownership with Other Companies | |
|-----|--|------------------------------|---|-------------------|
| | | | Companies | Position |
| 1 | Mrs. Silvana Mirza | Chairman | Al Amin Agro Fisheries Complex Ltd. | Director |
| | | | S. R. Fisheries & Dairy Farm Ltd. | Director |
| | | | Adarsha Fisheries & Poultry Farm Ltd. | Chairman |
| 2 | Mrs. Samina Mirza | Director | Adarsha Fisheries & Poultry Farm Ltd. | Director |
| 3 | Mrs. Farhana Mirza | Director | Adarsha Fisheries & Poultry Farm Ltd. | Managing Director |
| 4 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Director | Not involved in other organization | - |
| 5 | Dr. Saira Khan | Director & Managing Director | ARK Hospital Ltd. | Director |
| | | | AGI Flour Mills Ltd. | Director |
| 6 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director | Not involved in other organization | - |
| 7 | Md. Musfiqur Rahman FCA | Independent Director | | - |
| 8 | Tanha Zarrin Ahmed | | | - |

- (d) **Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:**

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

- (e) **Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

i. Family relationship among directors

| Sl. | Name | Designation | Relationship |
|-----|--|------------------------------|---|
| 1 | Mrs. Silvana Mirza | Chairman | Elder sister of Mrs. Samina Mirza & Mrs. Farhana Mirza and sister-in-law of Dr. Saira Khan |
| 2 | Dr. Saira Khan | Managing Director & Director | Sister-in-law of Mrs. Silvana Mirza, Mrs. Samina Mirza & Mrs. Farhana Mirza |
| 3 | Mrs. Samina Mirza | Director | Younger sister of Mrs. Silvana Mirza & elder sister of Mrs. Farhana Mirza and sister-in-law of Dr. Saira Khan |
| 4 | Mrs. Farhana Mirza | Director | Younger sister of Mrs. Silvana Mirza & Mrs. Samina Mirza and sister-in-law of Dr. Saira Khan |
| 5 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director | No relationship |
| 6 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Director | No relationship |
| 7 | Md. Musfiqur Rahman FCA | Independent Director | No relationship |
| 8 | Tanha Zarrin Ahmed | Independent Director | No relationship |

ii. Family relationship among directors and top five officers of the company:

There is no family relationship exist between directors and top five management officers except given above.

(f) Brief description of other businesses of the directors:

Mrs. Silvana Mirza

| Sl. No. | Name of Companies | Position | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|---------------------------------------|----------|-----------------------|---------------------------------|-------------------------|--------------------------------|
| 1 | Al-Amin Agro Fisheries Complex Ltd. | Director | 15.07.1998 | Agro-based Sector | Private Limited Company | 200,000.00 |
| 2 | S. R. Fisheries & Dairy Farm Ltd. | Director | 15.07.1998 | Fisheries & Dairy Farm Sector | Private Limited Company | 200,000.00 |
| 3 | Adarsha Fisheries & Poultry Farm Ltd. | Chairman | 15.07.1998 | Fisheries & Poultry Farm Sector | Private Limited Company | 200,000.00 |

Mrs. Samina Mirza

| Sl. No. | Name of Companies | Position | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|---------------------------------------|----------|-----------------------|---------------------------------|-------------------------|--------------------------------|
| 1 | Adarsha Fisheries & Poultry Farm Ltd. | Director | 15.07.1998 | Fisheries & Poultry Farm Sector | Private Limited Company | 200,000.00 |

Mrs. Farhana Mirza

| Sl. No. | Name of Companies | Position | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|---------------------------------------|-------------------|-----------------------|---------------------------------|-------------------------|--------------------------------|
| 1 | Adarsha Fisheries & Poultry Farm Ltd. | Managing Director | 15.07.1998 | Fisheries & Poultry Farm Sector | Private Limited Company | 200,000.00 |

Dr. Saira Khan

| Sl. No. | Name of Companies | Position | Date of Incorporation | Nature of Business | Legal Status | Equity capital (Total) in Taka |
|---------|----------------------|----------|-----------------------|---|-------------------------|--------------------------------|
| 1 | AGI Flour Mills Ltd. | Director | 09.07.2012 | Manufacturing & Marketing of Flour, Atta, Suji etc. | Private Limited Company | 10,000,000.00 |
| 2 | Ark Hospital Limited | Director | 10.03.2015 | Hospital | Private Limited Company | 4,700,000.00 |

Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd.

Not involved in other organization

**Md. Nazrul Islam Khan, Nominated by
Investment Corporation of Bangladesh (ICB)**

Not involved in other organization

Md. Musfiqur Rahman FCA

Not involved in other organization

Tanha Zarrin Ahmed

Not involved in other organization

(g) Short bio-data of each director:

Mrs. Silvana Mirza, Chairman

Mrs. Silvana Mirza was born at Noakhali in Bangladesh in the year 1978. She is the chairman and one of the sponsors of the Company. She graduated from Asian University Bangladesh in Islamic Studies. She oversees the business with inception of the company as director Operation. Her interpersonal skills, leadership behavior, high analytical ability in business and very hard working nature made her worth as director.

Dr. Saira Khan, Managing Director

Dr. Saira Khan was born at Dhaka in Bangladesh in the year 1981. She is a daughter of Lt. Gen. (Retd.) M. Nooruddin Khan ex. Army Chief. Now she is the Managing Director and Directors of the Company. She is a medical graduate from the Armed Forces Medical College, Dhaka with an MBBS in 2004, She has completed Diploma in Child health (DCH) in July, 2009 and FCPS (Paediatrics) in July, 2016. she began his career as Honorary Medical Officer with Shaheed Suhrawardy Hospital in the year 2006. In the year 2010 she joined BIRDEM General Hospital as Medical Officer, then she joined Dhaka Ahsania Mission as Specialist physician (Paediatrics) in the year 2013 and she joined Marks Medical College and Hospital as Assistant Professor (Paediatrics) in the year 2016. She was connected with this company in the year 2007, She is one of the sponsors of the Ark Hospital Limited. Her interpersonal skills, leadership behavior, high analytical ability in business and very hard working nature made her worth as director.

Mrs. Samina Mirza, Director

Mrs. Samina Mirza was born at Noakhali in Bangladesh in the year 1985. She is one of the sponsors and Directors of the Company. She graduated from London. Her acumen in business and flexible manner in terms of public relations made her a role model in developing the culture of the organization.

Mrs. Farhana Mirza, Director

Mrs. Farhana Mirza was born at Noakhali in Bangladesh in the year 1986. She is one of the sponsors and Directors of the Company. She graduated from Asian University Bangladesh in Islamic Studies. She is doing her job nicely with adding value by creative and innovative ideas to the Board.

Mr. Nazrul Islam Khan, Director (Nominee Director of Investment Corporation of Bangladesh (ICB))

Mr. Nazrul Islam Khan was born at Chandpur in Bangladesh in the year 1960. He is an M. Com. (Accounting) from Dhaka University. He is a General Manager of the Investment Corporation of Bangladesh (ICB) and he was nominated by ICB as director for the company which he joined in 1984. He is doing his job nicely with adding value by creative and innovative ideas.

Mr. Monsur Rahman, Director (Nominee Director of Adarsha fisheries & Poultry Farm Ltd.)

Mr. Monsur Rahman was born at Dhaka in Bangladesh in the year 1985. He graduated from North South University Bangladesh in Electronic and Telecommunication Engineering (ETE) in the year 2009. He has total 8 years working experiences.

He is the nominee Director of Adarsha Fisheries & Poultry Farm Ltd.

Md. Musfiqur Rahman FCA, Independent Director

Md. Musfiqur Rahman was born at Noakhali in the year 1965. He completed his Graduation under Chittagong University and qualified as Chartered Accountant in May 2007 from Institute of Chartered Accountants of Bangladesh (ICAB). He is expert in the field of Accounting, Auditing, Secretarial Practice, Income Tax and other financial and management consultancy. At present, he is practice with Mollah Quadir Yusuf & Co., Chartered Accountants as a partner. He is a social worker as well.

Tanha Zarrin Ahmed, Independent Director

Tanha Zarrin Ahmed, Barrister-at-Law, the independent director of Silva Pharmaceuticals Ltd. was born in September 04, 1984 in Dhaka, Bangladesh. With his vast educational qualifications, he has over 10 years' professional experiences in the field of Teacher, Legal consultant, Legal Services etc. She is a social worker as well.

(h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither the Company nor any of its Directors or shareholders who hold 10% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

- (i) Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

| Name & Position | Educational Qualification | Age (Years) | Date of Joining | Overall experience (Years) | Previous Employment | Salary/remuneration paid for the financial year |
|---|---------------------------|-------------|-----------------|----------------------------|--|---|
| Dr. Saira Khan <i>Managing Director</i> | MBBS, DCH, FCPS | 35 | 12-Mar-17 | 12 | MARKS Medical College & Hospital, Dhaka Ahsania Mission, BSMMU, BIRDEM General Hospital, Dhaka Shishu Hospital, Shaheed Suhrawardy Hospital. | 400,000 |
| Md. Iqbal Hossain <i>Company Secretary</i> | M.Com (Management) | 52 | 24-Apr-01 | 30 | Ahmed Zaker & Co., Chartered Accountants, Al-Amin Group | 1,200,000 |
| ATM Kamrul Ahsan <i>Head of Marketing & Sales. (Pharmacist)</i> | M.Pharma | 46 | 1-Apr-16 | 24 | Unimed unihealth, MST Pharmaceuticals, JMI Pharmaceuticals, Virgo Pharmaceuticals, Renata Limited, Eskayef Bangladesh, ACI Limited | 2,400,000 |
| Md. Abul Kasem <i>Chief Financial Officer</i> | M.Com (Accounting) | 45 | 1-Oct-15 | 20 | NAZ Bangladesh Ltd., First Securities Services Ltd., Popular Life Insurance Co. Ltd. & Akhter Spinning Mills Ltd. | 900,000 |
| Mustak Ahmed <i>Head of Product Management Department (Pharmacist)</i> | M.Pharma | 36 | 2-May-16 | 7 | Nipro JMI Pharma Ltd., Modern Herbal Group | 288,000 |
| Khurshid Ahmmmed Siddique <i>Head of Internal Audit</i> | M. Com. | 41 | 1-Feb-13 | 16 | Al-Amin Group. | 603,960 |
| Md. Abul Kashem <i>Head of Human Resource Development</i> | MBA (Finance) | 43 | 1-Apr-15 | 14 | Ratanpur Steel Re-Rolling Mills Ltd, DADA Ltd | 360,000 |

| | | | | | | |
|---|------------------------------------|----|-----------|----|---|---------|
| Mr. Mohammad Bourhan Uddin <i>Production Manager (Pharmacist)</i> | M.Pharma | 39 | 1-Dec-14 | 17 | Hudson Pharmaceuticals Ltd. Libra Infusion Ltd., Incepta Pharmaceuticals Ltd., Drug International | 885,000 |
| Mohammad Reaz Uddin <i>Manager-Quality Control</i> | M.Sc. | 43 | 24-May-03 | 14 | Globe Pharmaceuticals Ltd. | 660,000 |
| Md. Yousuf <i>In-charge, Engineering Division.</i> | Diploma in Electronics Engineering | 50 | 13-Mar-02 | 29 | Sunman group, Sanowara corporation. | 215,004 |
| Mr. Adiluzzaman <i>In-charge Product Development/Research and Development (Pharmacist)</i> | M.Pharma | 33 | 18-Apr-17 | 8 | Healthcare Pharmaceutical Lttd., Techno Drugs Ltd. | 112,500 |

The Company has no permanent adviser and consultant.

(j) **Changes in the key management persons during the last three years:**

The following changes have been made in the senior key management personnel during the last three years:

| Name of the employee | Position/Designation | Date of Joining | Remarks |
|----------------------|--|-----------------|-----------------|
| Dr. Saira Khan | Managing Director | 12-Mar-17 | Newly appointed |
| ATM Kamrul Ahsan | Head of Marketing & Sales | 1-Apr-16 | Newly appointed |
| Md. Abul Kasem | Chief Financial Officer | 1-Oct-15 | Newly appointed |
| Mustak Ahmed | Head of Product Management Department | 2-May-16 | Newly appointed |
| Zahid Kamal | Head of Product Management Department | 1-Jan-17 | Newly appointed |
| Md. Abul Kashem | Head of H Human Resource Development | 1-Apr-15 | Newly appointed |
| Mr. Adiluzzaman | In-charge Product Development/Research and Development | 18-Apr-17 | Newly appointed |

(k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions or posts held in the past, directorship held, other ventures of each sponsor and present position:

| Name, Father's Name, Age & Personal Address | | Educational Qualification | Experience (Years) | Position/Post | | Holding in other Venture |
|---|---|---|--------------------|--------------------|--------------------|---|
| | | | | Past | Present | |
| Name: | Mrs. Silvana Mirza | Master of Arts | 21 Years | Sponsor & Director | Sponsor & Chairman | Al-Amin Agro Fisheries Complex Ltd. S R Fisheries & Dairy Farm Ltd. Adarsha Fisheries & Poultry Farm Ltd. |
| Father's Name: | Md. Anwar Mirza | | | | | |
| Age: | 39 Years | | | | | |
| Personal Address: | Korsa-De-Carena, Plat- B2, House No. 57, Road No. 8/A, Dhanmondi, Dhaka-1209 | | | | | |
| Name: | Mrs. Samina Mirza | Graduate from University of East London, UK | 14 Years | Sponsor & Director | Sponsor & Director | Adarsha Fisheries & Poultry Farm Ltd. |
| Father's Name: | Md. Anwar Mirza | | | | | |
| Age: | 32 Years | | | | | |
| Personal Address: | Rita Kunja, Harinarayanpur, Maijdee, Noakhali | | | | | |
| Name: | Mrs. Farhana Mirza | Master of Arts | 13 Years | Sponsor & Director | Sponsor & Director | Adarsha Fisheries & Poultry Farm Ltd. |
| Father's Name: | Md. Anwar Mirza | | | | | |
| Age: | 31 Years | | | | | |
| Personal Address: | Road No. 114, Plot No. 35, Flat No. B2, Gulshan-2, Dhaka -1212 | | | | | |

| | | | | | | |
|--------------------------|---|--|----------|--------------------|---------|---|
| Name: | Md. Anwar Mirza | | | | | |
| Father's Name: | Late Al-Haj Md. Habibur Rahman | Bachelor of Arts from University of Chittagong | 46 Years | Sponsor & Chairman | Sponsor | Al Amin Bread & Biscuits Ltd. Al Amin Agro Fisheries Complex Ltd. S R Fisheries & Dairy Farm Ltd. |
| Age: | 66 Years | | | | | |
| Personal Address: | Rita Kunja, Harinarayanpur, Maijdee Court, Noakhali | | | | | |
| Name: | Mrs. Sajeda Mirza | | | | | |
| Father's Name: | Late Badiul Alam | Bachelor of Arts from University of Dhaka | 30 Years | Sponsor & Director | Sponsor | Al Amin Bread & Biscuits Ltd. Al Amin Agro Fisheries Complex Ltd. S. R. Fisheries & Dairy Farm Ltd. |
| Age: | 69 Years | | | | | |
| Personal Address: | Rita Kunja, Harinarayanpur, Maijdee Court, Noakhali | | | | | |
| Name: | Dr. Shibli Mirza | | | | | |
| Father's Name: | Md. Anwar Mirza | PhD in International Business, USA. | 20 Years | Sponsor & Director | Sponsor | Al Amin Bread & Biscuits Ltd. Al Amin Agro Fisheries Complex Ltd. S. R. Fisheries & Dairy Farm Ltd. |
| Age: | 44 Years | | | | | |
| Personal Address: | Road No. 44, Plot No. 118, Flat No. NW2, Gulshan-2, Dhaka | | | | | |

| | | | | | | |
|--------------------------|---|--|----------|-----------------------------|---------|---|
| Name: | Mr. A. R. Hassan Mirza | | | | | |
| Father's Name: | Md. Anwar Mirza | Master of Business Administration from University of Luton, UK | 23 Years | Sponsor & Managing Director | Sponsor | Al Amin Bread & Biscuits Ltd. Al Amin Agro Fisheries Complex Ltd. S. R. Fisheries & Dairy Farm Ltd. |
| Age: | 41 Years | | | | | |
| Personal Address: | Road No. 114, Plot No. 35, Flat No. A3, Gulshan-2, Dhaka | | | | | |
| Name: | Mr. Mahmudur Rahman (Nominee Director of Al Amin Bread & Biscuits Ltd.) | Masters in Business Administration from University of Dhaka | 9 Years | Sponsor | - | Not involved in other organization |
| Father's Name: | Mr. Sajedur Rahman | | | | | |
| Age: | 33 Years | | | | | |
| Personal Address: | 152/1, Boro Mogbazar, Romna-1217, Dhaka | | | | | |

- (l) **If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.**

No other Director except the followings:

| Name | Acquisition of Control | Date of Acquisition | Terms of Acquisition | Consideration paid for such Acquisition |
|--|------------------------|---------------------|-------------------------|---|
| Dr. Saira Khan | 12-Mar-17 | 20-Aug-04 | No terms at acquisition | Cash |
| Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | 12-Mar-17 | 20-Jun-02 | | |
| Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | 5-Dec-16 | 20-Feb-17 | | |
| Md. Musfiqur Rahman FCA | 25-May-17 | N/A | - | Appoint as Independent Director |
| Tanha Zarrin Ahmed | 25-May-17 | N/A | - | |

- (m) **If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out or managed:**

All the directors have adequate knowledge to carry out this line of business.

- (n) **Interest of the key management persons:**

There is no other interest with the key management persons except salaries, bonuses etc. received by them.

- (o) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Remuneration is received by the Managing Director and board meeting fees are received by all the directors.

- (p) **Number of shares held and percentage of shareholding (pre-issue):**

| Sl. | Name of Director | Position | Number of Shares Held | % |
|-----|--|------------------------------|-----------------------|---------|
| | | | | Pre-IPO |
| 1 | Mrs. Silvana Mirza | Chairman | 2,910,000 | 2.91% |
| 2 | Dr. Saira Khan | Director & Managing Director | 6,970,000 | 6.97% |
| 3 | Mrs. Samina Mirza | Director | 2,910,000 | 2.91% |
| 4 | Mrs. Farhana Mirza | Director | 2,910,000 | 2.91% |
| 5 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director | 5,090,000 | 5.09% |
| 6 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Director | 30,000,000 | 30.00% |
| 7 | Md. Musfiqur Rahman FCA | Independent Director | - | 0.00% |
| 8 | Tanha Zarrin Ahmed | | - | 0.00% |

(q) **Change in board of directors during last three years:**

| Sl. | Name of the Directors | Date of Joining | Date of retirement | Present Status as on 31.03.2017 |
|-----|--|-----------------|--------------------|---------------------------------|
| 1 | Dr. Saira Khan | 12-Mar-17 | 18th AGM in 2019 | Director & Managing Director |
| 2 | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | 12-Mar-17 | | Director |
| 3 | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | 5-Dec-16 | 16th AGM in 2017 | Director |
| 4 | Md. Musfiqur Rahman FCA | 25-May-17 | 18th AGM in 2019 | Independent Director |
| 5 | Tanha Zarrin Ahmed | 25-May-17 | | Independent Director |
| 6 | Md. Anwar Mirza | 24-Apr-01 | 12-Mar-17 | Sponsor Shareholder |
| 7 | Mrs. Sajeda Mirza | 24-Apr-01 | 12-Mar-17 | |
| 8 | Dr. Shibli Mirza | 24-Apr-01 | 12-Mar-17 | |
| 9 | Mr. A. R. Hassan Mirza | 24-Apr-01 | 12-Mar-17 | |

(r) **Director's engagement with similar business:**

None of the Directors are involved with similar business.

CHAPTER (IX)

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) **TO WHOM IT MAY CONCERN**

This is to certify that Silva Pharmaceuticals Limited does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

| Name | Nature of Transaction | Amount in (BDT) | | | | | | | | |
|-------------------------------|-------------------------------|--------------------|----------------|-------------------|--------------------|----------------|--------------------|------------------|------------------|------------------|
| | | 30-Jun-17 | | | 30-Jun-16 | | | 31-May-15 | 31-May-14 | 31-May-13 |
| | | Total Amount | Accrued | Payment | Payment | Accrued | Payment | Payment | Payment | Payment |
| Mrs. Silvana Mirza | Remunerations | 600,000 | - | 675,000 | 975,000 | 75,000 | 900,000 | 900,000 | 900,000 | 900,000 |
| Dr. Saira Khan | Remunerations | 400,000 | 100,000 | 300,000 | - | - | - | - | - | - |
| A. R. Hassan Mirza | Office Rent | 1,593,720 | 132,810 | 1,593,720 | 1,726,530 | 132,810 | 1,593,720 | 1,593,720 | 1,593,720 | 1,593,720 |
| | Remunerations | 800,000 | - | 900,000 | 1,300,000 | 100,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| AGI Printing & Packaging Ltd. | Local supply of printing item | - | - | - | 4,744,110 | 651,010 | 4,093,100 | - | - | - |
| Mrs. Sajeda Mirza | Advance against Land Purchase | 127,700,000 | - | 29,200,000 | 98,500,000 | - | 98,500,000 | - | - | - |
| Sub-Total | | 131,093,720 | 232,810 | 32,668,720 | 107,245,640 | 958,820 | 106,286,820 | 3,693,720 | 3,693,720 | 3,693,720 |
| Directors | Board Meeting Fee | 474,375 | - | 474,375 | 89,700 | - | 89,700 | - | - | - |
| Grand total | | 131,568,095 | 232,810 | 33,143,095 | 107,335,340 | 958,820 | 106,376,520 | 3,693,720 | 3,693,720 | 3,693,720 |

Place: Dhaka;

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

- (b) **Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in CHAPTER (IX) (a).

- (c) **Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan. and present outstanding of such loan.**

No such loan was taken or given from or to Directors or any person connected with the Directors of Silva Pharmaceuticals Limited.

CHAPTER (X)

EXECUTIVE COMPENSATION

- (a) **The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:**

| SL | Name | Designation | Remuneration/salaries paid for the period ended 30.06.2017 |
|----|----------------------------|------------------------------------|--|
| 1 | ATM Kamrul Ahsan | Head of Marketing & Sales | 2,400,000 |
| 2 | Dr. Saira Khan* | Managing Director | 400,000 |
| 3 | Md. Iqbal Hossain | Company Secretary | 1,200,000 |
| 4 | Md. Abul Kasem | Chief Financial Officer | 900,000 |
| 5 | Mr. Mohammad Bourhan Uddin | Production Manager (Pharmacist) | 885,000 |

**Dr. Saira Khan has joined in SPL 12-Mar-2017.*

- (b) **Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:**

| SL. | Name | Amount (in Taka) |
|-----|---|---------------------------------|
| | | For the period ended 30.06.2017 |
| 1 | Director & Managing Director's Remuneration | 1,800,000 |
| 2 | Board Meeting Fee | 474,375 |
| 3 | Salary and Allowances | 83,377,158 |

- (c) **If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:**

Dr. Saira Khan, Managing Director is receiving Tk. 1,200,000.00 per year for his services rendered to the Company. The above said remuneration was approved in the Annual General Meeting (AGM) dated December 24, 2011. Moreover, Chairman and Managing Director are enjoying car facilities.

- (d) **The board meeting attendance fees received by the director including the managing director along with date of approval in AGM or EGM:**

The board meeting attendance fees received by all the directors including the managing director which was approved in the Extraordinary General Meeting (EGM) dated June 28, 2016.

- (e) **Any contract with any director or officer providing for the payment of future compensation:**

There is no such contract between the Company and any of directors or officers regarding any future compensation to be made to them.

- (f) **If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:**

The Company has no plan for substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

- (g) **Any other benefit or facility provided to the above persons during the last accounting year:**

No other benefit or facility provided to the above persons during the last accounting year except the remuneration, board meeting fees by the directors mentioned earlier.

CHAPTER (XI)

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

Silva Pharmaceuticals Limited did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

CHAPTER (XII)

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- (a) **The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

Benefits from the Company during last five years:

The Directors and subscribers to the memorandum of association have not received any benefits except remuneration (received by Dr. Saira Khan, Managing Director, A. R. Hassan Mirza, Ex-Managing Director and Silvana Mirza, Ex-Director Operation), advance against land (received by Mrs. Sajeda Mirza, Sponsor shareholder), board meeting fees (received by all directors) and corporate office rent to A. R. Hassan Mirza, Ex-Managing Director directly or indirectly and share money deposited during the last five years.

- (b) **If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

Directors and Subscribers' Assets to the Company:

Directors and subscribers to the memorandum have not transferred any asset to the Company except advance against land received by Mrs. Sajeda Mirza, Sponsor shareholder amounting Tk. 127,700,000.00 (cost value of that land is Tk. 170,425,000.00). Besides, the issuer Company has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

CHAPTER (XIII)

OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:

| Sl. | Name of the Shareholders | Position | Address | BO IDs | Number of Shares Held | Pre IPO % |
|-----|---------------------------------------|---------------|--|------------------|-----------------------|-----------|
| 1 | Md. Anwar Mirza | Shareholder | Al-Amin House, College Road, Maijdee, Noakhali | 1205690064043212 | 4,850,000 | 4.85% |
| 2 | Mrs. Sajeda Mirza | Shareholder | Al-Amin House, College Road, Maijdee, Noakhali | 1205690063397018 | 4,950,000 | 4.95% |
| 3 | Dr. Shibli Mirza | Shareholder | Al-Amin House, College Road, Maijdee, Noakhali | 1205690064043263 | 4,000,000 | 4.00% |
| 4 | Mr. A. R. Hassan Mirza | Shareholder | Al-Amin House, College Road, Maijdee, Noakhali | 1205690063397050 | 4,950,000 | 4.95% |
| 5 | Mrs. Silvana Mirza | Chairman | 152/1, Doctor Gali, Mogbazar, Dhaka | 1205690064043271 | 2,910,000 | 2.91% |
| 6 | Mrs. Samina Mirza | Director | Rita Kunja, Harinarayanpur, Maijdee, Noakhali | 1205690064043298 | 2,910,000 | 2.91% |
| 7 | Mrs. Farhana Mirza | Director | 169, Boro Magbazar, Dhaka | 1205690064043300 | 2,910,000 | 2.91% |
| 8 | Al-Amin Agro Fisheries Complex Ltd. | Shareholder | Subornachar, Maijdee, Noakhali | 1205690063397125 | 4,950,000 | 4.95% |
| 9 | S. R. Fisheries & Dairy Farm Ltd. | Shareholder | Subornachar, Maijdee, Noakhali | 1205690063397026 | 1,040,000 | 1.04% |
| 10 | Adarsha Fisheries & Poultry Farm Ltd. | Director | Subornachar, Maijdee, Noakhali | 1205690064043255 | 5,090,000 | 5.09% |
| 11 | AGIL Foods Ltd. | Shareholder | Binodpur, Sadar, Noakhali | 1205690064043247 | 200,000 | 0.20% |
| 12 | AGIL Pack Ltd. | Shareholder | Binodpur, Sadar, Noakhali | 1205690064043230 | 70,000 | 0.07% |
| 13 | AGI Flour Mills Ltd. | Shareholder | BSCIC, Sonapur, Sadar, Noakhali | 1205690064043354 | 270,000 | 0.27% |
| 14 | AGI Printing & Packaging Ltd. | Shareholder | 169, Boro Magbazar, Ramna, Dhaka | 1205690063397449 | 1,170,000 | 1.17% |
| 15 | Al Amin Logistics Ltd. | Shareholder | Al-Amin House, College Road, Maijdee, Noakhali | 1205690063397450 | 70,000 | 0.07% |
| 16 | SR Trading | Shareholder | 152/1, Boro Mogbazar, Ramna, Dhaka. | 1205690063398668 | 1,720,000 | 1.72% |
| 17 | SR Enterprise | Shareholder | 152/1, Boro Mogbazar, Ramna, Dhaka. | 1205690063398651 | 1,160,000 | 1.16% |
| 18 | Mars Packaging Industries | Shareholder | 3953, College Road, Matuail, Demra, Dhaka | 1205690064043338 | 870,000 | 0.87% |
| 19 | Mr. Mahmud Rahman | Shareholder | 152/1, Boro Mogbazar, Ramna, Dhaka. | 1205690063398708 | 1,020,000 | 1.02% |
| 20 | Mr. Monsur Rahman | Shareholder | 152/1, Boro Mogbazar, Ramna, Dhaka. | 1205690063398716 | 1,020,000 | 1.02% |
| 21 | Mr. Mohammad Enayet Ullah | Shareholder | Sahapur, Sadar, Noakhali. | 1205690064043311 | 1,015,000 | 1.02% |
| 22 | Dr. Saira Khan | MD & Director | Harinarayanpur, Sadar, Noakhali. | 1205690063397069 | 6,970,000 | 6.97% |
| 23 | Mr. Iqbal Hossain | Shareholder | Sonapur, Sadar, Noakhali. | 1205690063397085 | 110,000 | 0.11% |
| 24 | Mr. Hossain Shaid Surwardhy | Shareholder | West Rajarampur, Sadar, Noakhali. | 1205690064043346 | 10,000 | 0.01% |
| 25 | Ms. Umme Sara | Shareholder | West Rajarampur, Sadar, Noakhali. | 1205690064043220 | 5,000 | 0.01% |

| | | | | | | |
|----|--|-------------|---|------------------|------------|--------|
| 26 | Mr. Mahamudul Hasan bin Sorwar | Shareholder | West Rajarampur, Sadar, Noakhali. | 1205690064043321 | 155,000 | 0.16% |
| 27 | Mr. Mozammel Hossain | Shareholder | Lakshminarayanpur, Sadar, Noakhali. | 1205690063397093 | 55,000 | 0.06% |
| 28 | Md. Ziaul Hoque | Shareholder | Denayetpur, Roypur Pouroshava, Roypur, Lakshmipur. | 1205690063398676 | 55,000 | 0.06% |
| 29 | Md. Nazmul Hoque | Shareholder | Denayetpur, Roypur Pouroshava, Roypur, Lakshmipur. | 1205690063398724 | 55,000 | 0.06% |
| 30 | Ms. Sayma Rahman | Shareholder | 152/1, Boro Mogbazar, Ramna, Dhaka. | 1205690063397077 | 5,000 | 0.01% |
| 31 | Md. Nazmul Hoque | Shareholder | 18-Lancestar Road, London, E-11, 3EJ, United Kingdom. | 1205690064874475 | 5,000 | 0.01% |
| 32 | Md. Kamrul Islam | Shareholder | Mohabbatpur, sonapur, Sadar, Noakhali. | 1205690063398680 | 10,000 | 0.01% |
| 33 | BLI Capital Limited | Shareholder | Eunoos Trade Centre, 52-53, Dilkusha C/A, Dhaka | 1605650050408170 | 5,000,000 | 5.00% |
| 34 | Md. Abdul hakim | Shareholder | House # 85 (B-5), Road # 12/A, Dhanmondi, Dhaka. | 1202550046717936 | 100,000 | 0.10% |
| 35 | Sanjeeb Kumar Tarafder | Shareholder | House # 35, Patla Khan Lane, Sutrapur Dhaka. | 1204050020362694 | 100,000 | 0.10% |
| 36 | Syed Rezaul Karim | Shareholder | House # 01, Road # 09, Sector # 06, Uttara, Dhaka. | 1204090059738147 | 100,000 | 0.10% |
| 37 | Investment Corporation of Bangladesh (ICB) | Director | 8, DIT Avenue (Level 14-17), Dhaka. | 1201530000003500 | 30,000,000 | 30.00% |
| 38 | Mrs. Shamima Nasrin | Shareholder | 56/Ka, South Mugda, Dhaka-1214. | 1204560043510669 | 100,000 | 0.10% |
| 39 | Mr. M. Mominul Islam Sangram | Shareholder | Ena Tower, 57/3 & 4, Panthapath, Kalabagan, Dhaka-1205. | 1205700057573648 | 100,000 | 0.10% |
| 40 | Mrs. Kaniz Shabnam Mustari | Shareholder | 3/1/A, Salimullah road (5th Floor), Mohammadpur, Dhaka-1207. | 1201820048574030 | 100,000 | 0.10% |
| 41 | Sayed Mohammad Haseeb | Shareholder | 888, East Kazipara, Kafrul, Dhaka-1216. | 1202060061157911 | 100,000 | 0.10% |
| 42 | Mr. Khurshid Ahmmmed Siddique | Shareholder | 10/20, Tajmohol Road, Mohammadpur, Dhaka. | 1202550064842169 | 480,000 | 0.48% |
| 43 | Mr. Alauddine Bhuiya | Shareholder | Ka-51, Jagannathpur, Shahid Abdul Aziz Road, Bashundhara, Dhaka. | 1205690063397109 | 360,000 | 0.36% |
| 44 | Md. Borhan Uddin | Shareholder | 980/5/A, East Sheorapara, Mirpur, Dhaka-1216. | 1205000045087327 | 50,000 | 0.05% |
| 45 | Rawad Ashraf | Shareholder | Plot # 1/2, Road # 6, Section # 7, Mirpur, Dhaka-1216. | 1204480039627291 | 100,000 | 0.10% |
| 46 | Md. Abdul wadud | Shareholder | 131/2, Apt. # C-2, Rangs Siraj Garden, Green Road, Dhaka. | 1203220005748441 | 100,000 | 0.10% |
| 47 | Md. Hasan Tareq | Shareholder | 304, East Kazipara, Mirpur, Dhaka-1216. | 1201740055138820 | 50,000 | 0.05% |
| 48 | Mrs. Shamima Yesmin | Shareholder | 688, Boro Mogbazar, Flat # A/5, | 1205690064874483 | 50,000 | 0.05% |
| 49 | Mr. Gopal Chandra Karmakar | Shareholder | Flat # 5/A, House # 61, Road # 05, DIT Project, Merul Badda, Dhaka. | 120182001753011 | 50,000 | 0.05% |
| 50 | Satyendra Nath Roy | Shareholder | Masud Garden, House # 22/16, Khiljee Road, Mohammadpur, Dhaka. | 120260015277340 | 50,000 | 0.05% |

| | | | | | | |
|----|-------------------------|-------------|--|------------------|-----------|-------|
| 51 | Istak Ahmmed | Shareholder | 110, Free School Street, Kathalbagan Bazar, New Market, Kalabagan, Dhaka-1205. | 1202580051419505 | 100,000 | 0.10% |
| 52 | Shepaul Alam Shiplu | Shareholder | Flat # A-6, House # 126/C, New Eskaton Road, Dhaka-1000. | 1202830004372801 | 75,000 | 0.08% |
| 53 | Tajul Islam | Shareholder | Tajul Islam Bari, Hajinagar, Sarulia, Demra, Dhaka-1361. | 1202830048267036 | 600,000 | 0.60% |
| 54 | Shamima Ara | Shareholder | 50/B, New eskaton Road, Dhaka-1000. | 1605550062567378 | 150,000 | 0.15% |
| 55 | Pradip Kumar Saha | Shareholder | House # 05, Road # 15, Nikunja-2, Dhaka-1229. | 1204570045523789 | 75,000 | 0.08% |
| 56 | Md. Abul Kaiwm Sikder | Shareholder | House # 40, Hajinagar, Sarulia, Demra, Dhaka-1361. | 1202830048268991 | 200,000 | 0.20% |
| 57 | Md. Foysal Ahmmed | Shareholder | 22/7, Bijli Moholla, Mohammadpur, Dhaka. | 1203040058175818 | 250,000 | 0.25% |
| 58 | Bidhan saha | Shareholder | 86/1, West Kandapara, P.O. & P.S. - Narshingdi, Narshingdi-1600. | 1201580032960891 | 75,000 | 0.08% |
| 59 | Mohammad Towhidul Islam | Shareholder | 112/Ka, Central road, Dhanmondi, Dhaka-1205. | 1202830055707558 | 125,000 | 0.13% |
| 60 | Shakil Mahmud | Shareholder | House # 28, Road # 8/2, Block # E, South Banasree, Dhaka-1219. | 1605550062101886 | 1,000,000 | 1.00% |
| 61 | Md. Shariful Islam | Shareholder | 333/B, South Jatrabari, Dhaka. | 1202150062658625 | 50,000 | 0.05% |
| 62 | Mrs. Fatima Alam | Shareholder | 343, Dhania, Jatrabari, Dhaka. | 1605420047201274 | 200,000 | 0.20% |
| 63 | Khairul Bashar | Shareholder | SEL Bari Legacy, Apt.-7B, 61, Tejkunipara, Tejgaon, Dhaka. | 1203620056070272 | 50,000 | 0.05% |
| 64 | Habibur Rahman Sikder | Shareholder | PBL Tower (13th Floor), 17, New Gulshan North C/A, Dhaka-1212. | 1203040045061772 | 50,000 | 0.05% |
| 65 | Md. Tarif Hasan Tomal | Shareholder | House # 6, Road # 18, Sector # 13, Uttara, Dhaka-1230. | 1202150062921764 | 100,000 | 0.10% |
| 66 | Mrs. Shahnaj Pervin | Shareholder | 76/B, Naya Paltan, Dhaka-1000. | 1203210062936100 | 100,000 | 0.10% |
| 67 | Bloomest Company Ltd. | Shareholder | 126/A & 126/B, Lion Shopping Complex, Airport Road, Bijoy Sarani, Dhaka-1215. | 1203620059642970 | 100,000 | 0.10% |
| 68 | Montaha Akhter | Shareholder | House # 990, Nilgonj Road, Sholakia, Kishoregonj Pouroshava, Kishoregonj-2300. | 1202220062955119 | 30,000 | 0.03% |
| 69 | Nuruzzaman Chowdhury | Shareholder | 60/3 NayaPaltan (5th Floor), Dhaka-1000. | 1202900000012149 | 100,000 | 0.10% |
| 70 | Shamsul Haque | Shareholder | House # 50, Road # 1, Sector # 9, Uttara, Dhaka-1230 | 1201690000776633 | 200,000 | 0.20% |
| 71 | Shaheen Siddique | Shareholder | H#122/2, DOHS Baridhara, Cantonment, Dhaka-1206 | 1201890019678489 | 200,000 | 0.20% |
| 72 | Golam Faruque | Shareholder | House # 93, Din Mohammed Koloni, North Dhamal Coart, Kafrul, Dhaka | 1204780064465360 | 200,000 | 0.20% |

| | | | | | | |
|--------------|--------------------------------------|-------------|--|------------------|--------------------|----------------|
| 73 | Tofayel Mustafa Sorwar | Shareholder | Nisharga-14, Shahporan R/A, Khadimnagar, Sylhet. | 1203680056882096 | 200,000 | 0.20% |
| 74 | Hamidul Hoque | Shareholder | Vill.: Palakata, P.O.: Eidgah, PS & Dist.: Cox'sbazar. | 1204660041046318 | 200,000 | 0.20% |
| 75 | Md. Mizanur Rahman | Shareholder | BMA, BMA Vatiari, Sitakunda, Chittagong-4315. | 1204030025938856 | 200,000 | 0.20% |
| 76 | Md. Saroar Hossain | Shareholder | 252/2, Senpara Parbata, Kafrul, Mirpur, Dhaka-1216. | 1605550061674266 | 250,000 | 0.25% |
| 77 | Md. Kabir Uddin Ahmed | Shareholder | Shikdarbari, Haripur, Pathoir, Mazhigacha, Kachua, Chadpur-3633. | 1204730058970110 | 250,000 | 0.25% |
| 78 | Global Max Packaging Industries Ltd. | Shareholder | Plot No. # A/94-96, BSCIC Industrial Estate, Kalurghat(Ext.), Chittagong-4000. | 1201480064833629 | 850,000 | 0.85% |
| 79 | Rafeza Akhter | Shareholder | House # 271/32(4th Floor), Niribili Housing, Mohammadpur, Dhaka-1207. | 1204070002977406 | 50,000 | 0.05% |
| 80 | Suzana Samrin | Shareholder | House # 01, Road # 01, Sector # 9, Uttara, Dhaka-1230. | 1205150063886199 | 50,000 | 0.05% |
| 81 | Mir Md. Zainul Adedin Shebly | Shareholder | House # 63/1, West Dhanmondi, Shankar, Mohammadpur, Dhaka -1207 | 1205150055150387 | 50,000 | 0.05% |
| 82 | Md. Nur Islam | Shareholder | 45, Purana Paltan, Dhaka. | 1202150063757891 | 100,000 | 0.10% |
| 83 | Md. Motiur Rahman | Shareholder | House No. 125, Road No. Deshbondhu Chittaranjan, TB Clinic, PO. Jashore-7400, Kotowali, Jashore. | 1201910004133529 | 1,000,000 | 1.00% |
| 84 | Nazrul Islam Khondoker | Shareholder | House No. 24, Road No.03, Bonosri, Block-D, PO. Khilgaon-1219, Khilgaon, Dhaka. | 1205880002721828 | 100,000 | 0.10% |
| 85 | Md. Shaiful Islam | Shareholder | House No. 24, Road No. 03, Bonosri, Block-D, PO. Khilgaon-1219, Khilgaon, Dhaka. | 1205150058524747 | 100,000 | 0.10% |
| 86 | Mohammad Shamsul Alam Chowdhury | Shareholder | House. Chowdhury Bari, Road No. Nankora, PO. Jamukora-3550, Chowddagram, Cumilla. | 1201910063559885 | 100,000 | 0.10% |
| 87 | Pappu Saha | Shareholder | House. No. 26, Flat No. A-7, Road No. Tipu Sultan Road, PO. Wari TSO-1203, Wari, Dhaka. | 1204480025619507 | 100,000 | 0.10% |
| 88 | F. A. Trading Corporation | Shareholder | Flat No. B-7, Firoza Rose, Road No. 12 Eskaton Road, Boro Moghbazar, Dhaka-1000. | 1203110063110187 | 600,000 | 0.60% |
| 89 | Abul Ahad Md. Helal Uddin | Shareholder | House No. 87-9/C, Road No. New Eskaton Road, GPO-1000, Romna, Dhaka | 1201830062107080 | 200,000 | 0.20% |
| Total | | | | | 100,000,000 | 100.00% |

b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

| SL | Name of Director, Address, Age & Experience | No. of Share | Position held in Other Organization | |
|----|---|--------------|-------------------------------------|--|
| | | | % Pre-IPO | Other Organization Position |
| 1 | <p>Name: Mrs. Silvana Mirza <i>Chairman</i></p> <p>Address: Korsa-De-Carena, Plat- B2, House No. 57, Road No. 8/A, Dhanmondi, Dhaka-1209</p> <p>Age: 39 Years</p> <p>Experience: 21 Years</p> <p>BO ID No.: 1205690064043271</p> <p>TIN No.: 151031451854</p> | 2,910,000 | 2.91% | <p>Al-Amin Agro Fisheries Complex Ltd.</p> <p>S. R. Fisheries & Dairy Farm Ltd.</p> <p>Adarsha Fisheries & Poultry Farm Ltd.</p> <p>Director Director Chairman</p> |
| 2 | <p>Name: Mrs. Samina Mirza <i>Director</i></p> <p>Address: Rita Kunja, Harinarayanpur, Maijdee, Noakhali</p> <p>Age: 32 Years</p> <p>Experience: 14 Years</p> <p>BO ID No.: 1205690064043298</p> <p>TIN No.: 886950825425</p> | 2,910,000 | 2.91% | <p>Adarsha Fisheries & Poultry Farm Ltd.</p> <p>Director</p> |

| | | | | | |
|---|---|------------|--------|---------------------------------------|-------------------|
| 3 | <p>Name: Mrs. Farhana Mirza <i>Director</i></p> <p>Address: Road No. 114, Plot No. 35, Flat No. B2, Gulshan-2, Dhaka -1212</p> <p>Age: 31 Years</p> <p>Experience: 13 Years</p> <p>BO ID No.: 1205690064043300</p> <p>TIN No.: 421902433570</p> | 2,910,000 | 2.91% | Adarsha Fisheries & Poultry Farm Ltd. | Managing Director |
| 4 | <p>Name: Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) <i>Director</i></p> <p>Address: Flat No. A/5, 688, Bora Mogbazar Ramna-1217, Dhaka</p> <p>Age: 57 Years</p> <p>Experience: 33 Years</p> <p>BO ID No.: 1201530000003500</p> <p>TIN No.: 643271524958</p> | 30,000,000 | 30.00% | Not involved in other organization | - |

| | | | | | |
|---|---|-----------|-------|---|----------------------|
| 5 | Name: Dr. Saira Khan <i>Director & Managing Director</i> Address: House No. 35, Road No. 114, Gulshan-2, Dhaka Age: 36 Years Experience: 13 Years BO ID No.: 1205690063397069 TIN No.: 342194894756 | 6,970,000 | 6.97% | ARK Hospital Ltd. AGI Flour Mills Ltd. | Director Director |
| 6 | Name: Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. <i>Director</i> Address: 152/1, Boro Mogbazar, Ramna-1217, Dhaka Age: 32 Years Experience: 5 Years BO ID No.: 1205690064043255 TIN No.: 767236781720 | 5,090,000 | 5.09% | Not involved in other organization | - |
| 7 | Name: Md. Musfiqur Rahman FCA <i>Independent Director</i> Address: House # 206/A, Road # 19 (Old), West Dhanmondi, Dhaka-1209. Age: 51 Years | - | 0.00% | Not involved in other organization | - |

| | | | | | |
|---|--|---|-------|------------------------------------|---|
| | Experience: 29 Years BO ID No.: - TIN No.: 374687282261 | | | | |
| 8 | Name: Tanha Zarrin Ahmed <i>Independent Director</i> Address: House # 18, Road # 9/C, Sector # 5, Uttara, Dhaka-1230 Age: 33 Years Experience: 12 Years BO ID No.: - TIN No.: 193060833418 | - | 0.00% | Not involved in other organization | - |

c) The average cost of acquisition of equity shares by the directors certified by the auditors:

To Whom It May Concern

This is to certify that **Silva Pharmaceuticals Limited** has allotted in face value considering in cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below:

| Date | Allotment/ Transfer | Mrs. Silvana Mirza | Mrs. Samina Mirza | Mrs. Farhana Mirza | Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) | Dr. Saira Khan | Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Md. Musfiqur Rahman FCA | Tanha Zarrin Ahmed | Consideration | Face value of Share (Tk.) |
|--------------|------------------------|-----------------------|----------------------|-----------------------|---|------------------------------------|---|----------------------------|--------------------------|---------------|------------------------------|
| | | Chairman | Director | Director | Director | Director & Managing Director | Director | Independent Director | Independent Director | | |
| 24-Apr-01 | Allotment | 10,000 | 10,000 | 10,000 | - | - | - | - | - | Cash | 10.00 |
| 20-Jun-02 | Allotment | - | - | - | - | - | 500,000 | - | - | Cash | 10.00 |
| 21-Jun-03 | Allotment | 1,000,000 | 1,000,000 | 1,000,000 | - | - | - | - | - | Cash | 10.00 |
| 20-Feb-12 | Transfer | - | - | - | - | 20,000 | - | - | - | Cash | 10.00 |
| 30-Sep-15 | Allotment | 900,000 | 900,000 | 900,000 | - | 2,000,000 | 590,000 | - | - | Cash | 10.00 |
| 10-Jan-16 | Transfer | - | - | - | - | - | - | - | - | Cash | 10.00 |
| 24-Jul-16 | Allotment | - | - | - | - | 4,000,000 | 4,000,000 | - | - | Cash | 10.00 |
| 20-Feb-17 | Allotment | - | - | - | 30,000,000 | - | - | - | - | Cash | 10.00 |
| 12-Mar-17 | Transfer | 1,000,000 | 1,000,000 | 1,000,000 | - | 950,000 | - | - | - | Cash | 10.00 |
| Total | | 2,910,000 | 2,910,000 | 2,910,000 | 30,000,000 | 6,970,000 | 5,090,000 | - | - | | |

The Company split its share from Tk. 100.00 to Tk. 10.00 on April 22, 2014.

Place: Dhaka

Dated: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors or directors. In this connection, a statement to be included: -

Mrs. Silvana Mirza

Chairman

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 24-Apr-01 | Cash | Ordinary Share | 10,000 | 10.00 | 10.00 | 10,000 | 2.91% | 2.43% | Own Source |
| 21-Jun-03 | Cash | | 1,000,000 | 10.00 | 10.00 | 1,010,000 | | | |
| 30-Sep-15 | Cash | | 900,000 | 10.00 | 10.00 | 1,910,000 | | | |
| 12-Mar-17 | Cash | | 1,000,000 | 10.00 | 10.00 | 2,910,000 | | | |

Mrs. Samina Mirza

Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 24-Apr-01 | Cash | Ordinary Share | 10,000 | 10.00 | 10.00 | 10,000 | 2.91% | 2.43% | Own Source |
| 21-Jun-03 | Cash | | 1,000,000 | 10.00 | 10.00 | 1,010,000 | | | |
| 30-Sep-15 | Cash | | 900,000 | 10.00 | 10.00 | 1,910,000 | | | |
| 12-Mar-17 | Cash | | 1,000,000 | 10.00 | 10.00 | 2,910,000 | | | |

Mrs. Farhana Mirza

Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 24-Apr-01 | Cash | Ordinary Share | 10,000 | 10.00 | 10.00 | 10,000 | 2.91% | 2.24% | Own Source |
| 21-Jun-03 | Cash | | 1,000,000 | 10.00 | 10.00 | 1,010,000 | | | |
| 30-Sep-15 | Cash | | 900,000 | 10.00 | 10.00 | 1,910,000 | | | |
| 12-Mar-17 | Cash | | 1,000,000 | 10.00 | 10.00 | 2,910,000 | | | |

Investment Corporation of Bangladesh (ICB)

Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 20-Feb-17 | Cash | Ordinary Share | 30,000,000 | 10.00 | 10.00 | 30,000,000 | 30.00% | 23.08% | Own Source |

Dr. Saira Khan

Director & Managing Director

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 20-Feb-12 | Cash | Ordinary Share | 20,000 | 10.00 | 10.00 | 20,000 | 6.97% | 5.36% | Own Source |
| 30-Sep-15 | Cash | | 2,000,000 | 10.00 | 10.00 | 2,020,000 | | | |
| 24-Jul-16 | Cash | | 4,000,000 | 10.00 | 10.00 | 6,020,000 | | | |
| 12-Mar-17 | Cash | | 950,000 | 10.00 | 10.00 | 6,970,000 | | | |

Adarsha Fisheries & Poultry Farm Ltd.*Director*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| 20-Jun-02 | Cash | Ordinary Share | 500,000 | 10.00 | 10.00 | 500,000 | 5.09% | 3.92% | Own Source |
| 30-Sep-15 | Cash | | 590,000 | 10.00 | 10.00 | 1,090,000 | | | |
| 24-Jul-16 | Cash | | 4,000,000 | 10.00 | 10.00 | 5,090,000 | | | |

Md. Musfiqur Rahman FCA*Independent Director*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Tanha Zarrin Ahmed*Independent Director*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre-issue paid up capital | % Post issue paid up capital | Sources of fund |
|---|---------------|-----------------|----------------------|------------|---|---------------------------------|-----------------------------|------------------------------|-----------------|
| N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Md. Anwar Mirza*Sponsor*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre- issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|--------------------|----------------------------|---------------|--|---------------------------------------|------------------------------------|------------------------------------|--------------------|
| 24-Apr-01 | Cash | Nature of issue | 60,000 | 10.00 | 10.00 | 60,000 | 4.85% | 3.73% | Own Source |
| 20-Jun-02 | Cash | | 400,000 | 10.00 | 10.00 | 460,000 | | | |
| 20-Aug-04 | Cash | | 2,484,000 | 10.00 | 10.00 | 2,944,000 | | | |
| 15-Nov-09 | Cash | | (600,000) | 10.00 | 10.00 | 2,344,000 | | | |
| 20-Feb-12 | Cash | | (294,000) | 10.00 | 10.00 | 2,050,000 | | | |
| 30-Sep-15 | Cash | | 4,300,000 | 10.00 | 10.00 | 6,350,000 | | | |
| 12-Mar-17 | Cash | | (1,500,000) | 10.00 | 10.00 | 4,850,000 | | | |

Mrs. Sajeda Mirza*Sponsor*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre- issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|--------------------|----------------------------|---------------|--|---------------------------------------|------------------------------------|------------------------------------|--------------------|
| 24-Apr-01 | Cash | Nature of issue | 30,000 | 10.00 | 10.00 | 30,000 | 4.95% | 3.81% | Own Source |
| 20-Aug-04 | Cash | | 552,000 | 10.00 | 10.00 | 582,000 | | | |
| 15-Nov-09 | Cash | | 640,000 | 10.00 | 10.00 | 1,222,000 | | | |
| 20-Feb-12 | Cash | | (122,000) | 10.00 | 10.00 | 1,100,000 | | | |
| 30-Sep-15 | Cash | | 4,700,000 | 10.00 | 10.00 | 5,800,000 | | | |
| 12-Mar-17 | Cash | | (850,000) | 10.00 | 10.00 | 4,950,000 | | | |

Mr. Shibli Mirza*Sponsor*

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre- issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|--------------------|----------------------------|---------------|--|---------------------------------------|------------------------------------|------------------------------------|--------------------|
| 24-Apr-01 | Cash | Nature of issue | 20,000 | 10.00 | 10.00 | 20,000 | 4.00% | 3.08% | Own Source |
| 20-Aug-04 | Cash | | 1,932,000 | 10.00 | 10.00 | 1,952,000 | | | |
| 20-Feb-12 | Cash | | (152,000) | 10.00 | 10.00 | 1,800,000 | | | |
| 30-Sep-15 | Cash | | 2,900,000 | 10.00 | 10.00 | 4,700,000 | | | |
| 12-Mar-17 | Cash | | (700,000) | 10.00 | 10.00 | 4,000,000 | | | |

Mr. A. R. Hassan Mirza

Sponsor

| Date of Allotment/ Transfer of fully paid- up shares | Consideration | Nature of issue | No. of Equity shares | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity shares | % Pre- issue paid up capital | % Post issue paid up capital | Sources of fund |
|--|---------------|--------------------|----------------------------|---------------|--|---------------------------------------|------------------------------------|------------------------------------|--------------------|
| 24-Apr-01 | Cash | Nature of issue | 20,000 | 10.00 | 10.00 | 20,000 | 4.95% | 3.81% | Own Source |
| 20-Aug-04 | Cash | | 1,932,000 | 10.00 | 10.00 | 1,952,000 | | | |
| 20-Feb-12 | Cash | | (152,000) | 10.00 | 10.00 | 1,800,000 | | | |
| 30-Sep-15 | Cash | | 4,900,000 | 10.00 | 10.00 | 6,700,000 | | | |
| 12-Mar-17 | Cash | | (1,750,000) | 10.00 | 10.00 | 4,950,000 | | | |

Al-Amin Bread & Biscuits Ltd.

Sponsor

| Date of Allotment/ Transfer of fully | Consideration | Nature of issue | No. of Equity | Face value | Issue Price/Acquisition Price/Transfer Prices | Cumulative no. of Equity | % Pre- issue paid | % Post issue paid | Sources of fund |
|---|---------------|--------------------|------------------|---------------|--|-----------------------------|----------------------|----------------------|--------------------|
|---|---------------|--------------------|------------------|---------------|--|-----------------------------|----------------------|----------------------|--------------------|

| paid- up shares | | | shares | | | shares | up capital | up capital | |
|-----------------|------|-----------------|----------|-------|-------|--------|------------|------------|------------|
| 24-Apr-01 | Cash | Nature of issue | 40,000 | 10.00 | 10.00 | 40,000 | 0.00% | 0.00% | Own Source |
| 15-Nov-09 | Cash | | (40,000) | 10.00 | 10.00 | - | | | |

e) **Detail of shares issued by the company at a price lower than the issue price:**

None of the shares issued by the company at a price lower than the issue price.

f) **History of significant (5% or more) changes in ownership of securities from inception:**

History of significant (5% or more) changes in ownership of securities from inception are as follows:

| Date of Allotment/Transfer | Adarsha Fisheries & Poultry Farm Ltd. | | Dr. Saira Khan | | BLI Capital Limited | | Investment Corporation of Bangladesh (ICB) | |
|----------------------------|---------------------------------------|-------|------------------|-------|---------------------|-------|--|--------|
| | No. of Share | % | No. of Share | % | No. of Share | % | No. of Share | % |
| 20-Jun-02 | 500,000 | 5.09% | - | 6.97% | - | 5.00% | - | 30.00% |
| 20-Feb-12 | - | | 20,000 | | - | | - | |
| 30-Sep-15 | 590,000 | | 2,000,000 | | - | | - | |
| 10-Jan-16 | - | | - | | 5,000,000 | | - | |
| 24-Jul-16 | 4,000,000 | | 4,000,000 | | - | | - | |
| 20-Feb-17 | - | | - | | - | | 30,000,000 | |
| 12-Mar-17 | - | | 950,000 | | - | | - | |
| Total | 5,090,000 | | 6,970,000 | | 5,000,000 | | 30,000,000 | |

CHAPTER (XIV)

CORPORATE GOVERNANCE

- a) **Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);**

The Company declares that it has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

Dr. Saira Khan

Managing Director

Date: December 05, 2017

- b) **A compliance report of Corporate Governance requirements certified by competent authority;**

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

OF

Silva Pharmaceuticals Limited

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Silva Pharmaceuticals Ltd** for the year ended June 30, 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Sd/-

Shaiful Alam FCA

Partner

S.R. Islam & Co.

Chartered Accountants

Place: Dhaka.

Date: December 05, 2017

Compliance Report on BSEC's Notification

Silva Pharmaceuticals Limited

Status of Compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No. 7.00)

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|--|
| | | Complied | Non-complied | |
| 1.0 | Board of Directors | | | |
| 1.1 | Board's Size | | | |
| | The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty) | ✓ | | |
| 1.2 | Independent Directors | | | |
| 1.2(i) | At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors. | ✓ | | Including two independent director total numbers of directors in the board is 8 (Eight). |
| 1.2 (ii) a) | Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company. | ✓ | | |
| 1.2 (ii) b) | Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company. | ✓ | | |
| 1.2 (ii) c) | Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies. | ✓ | | |
| 1.2 (ii) d) | Independent Director who is not a member, director or officer of any stock exchange; | ✓ | | |

| | | | | |
|-------------|--|---|--|--|
| 1.2 (ii) e) | Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market; | √ | | |
| 1.2 (ii) f) | Independent Director who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm; | √ | | |
| 1.2 (ii) g) | Independent Director shall not be an independent director in more than 3 (three) listed companies; | √ | | |
| 1.2 (ii) h) | Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI); | √ | | |
| 1.2 (ii) i) | Independent Director has not been convicted for a criminal offence involving moral turpitude; | √ | | |
| 1.2 (iii) | Independent director shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM); | √ | | Independent Directors have been appointed by the Board of Directors on 25 th May 2017 and to be placed before the shareholders for approving in the next AGM. |
| 1.2 (iv) | The post of independent director cannot remain vacant for more than 90 (ninety) days; | √ | | Independent directors have been appointed on 25 th May 2017. |
| 1.2 (v) | The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded; | √ | | |
| 1.2 (vi) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only; | √ | | Independent directors have been appointed on 25 th May 2017. |

| | | | | |
|-----------|---|---|---|-----|
| 1.3 | Qualification of Independent Director(ID) | | | |
| 1.3 (i) | Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business; | √ | | |
| 1.3 (ii) | The independent director should be a Business Leader/Corporate Leader /Bureaucrat /University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate engagement/professional experiences. | √ | | |
| 1.3 (iii) | In special cases the above qualifications may be relaxed subject to prior approval of the Commission; | - | - | N/A |
| 1.4 | Chairman of the Board and Chief Executive Officer | | | |
| | The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | √ | | |
| 1.5 | The Directors' Report to Shareholders | | | |
| | The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) | | | |
| 1.5 (i) | Industry outlook and possible future developments in the industry | √ | | |
| 1.5 (ii) | Segment-wise or product-wise performance | - | - | N/A |
| 1.5 (iii) | Risks and concerns | √ | | |
| 1.5 (iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin | √ | | |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss | - | - | N/A |
| 1.5 (vi) | Basis for related party transactions- a | √ | | |

| | | | | |
|------------|---|---|---|---|
| | statement of all related party transactions should be disclosed in the annual report | | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and/or through any others instruments | - | - | N/A |
| 1.5 (viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc. | - | - | N/A |
| 1.5 (ix) | If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report. | - | - | N/A |
| 1.5 (x) | Remuneration to directors including independent directors | √ | | Independent does not take any remuneration. They get only board meeting fees. |
| 1.5 (xi) | The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity. | √ | | |
| 1.5 (xii) | Proper books of account of the issuer company have been maintained. | √ | | |
| 1.5 (xiii) | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment. | √ | | |
| 1.5 (xiv) | International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | √ | | |
| 1.5 (xv) | The system of internal control is sound in design and has been effectively implemented and monitored. | √ | | |
| 1.5 (xvi) | There are no significant doubts upon the | √ | | |

| | | | | |
|---------------|--|---|---|-----|
| | issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed. | | | |
| 1.5 (xvii) | Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained. | - | - | N/A |
| 1.5 (xviii) | Key operating and financial data of at least preceding 5 (five) years shall be summarized. | √ | | |
| 1.5 (xix) | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given. | - | - | N/A |
| 1.5 (xx) | The number of Board meetings held during the year and attendance by each director shall be disclosed. | √ | | |
| 1.5 (xxi) | The pattern of shareholding shall be reported to disclose the aggregate number of shares held by: | | | |
| 1.5 (xxi) a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details) | √ | | |
| 1.5 (xxi) b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details) | √ | | |
| 1.5 (xxi) c) | Executives | √ | | |
| 1.5 (xxi) d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details) | √ | | |
| 1.5 (xxii) | In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: | | | |
| 1.5 (xxii) a) | A brief resume of the director | √ | | |
| 1.5 (xxii) b) | Nature of his/her expertise in specific functional areas. | √ | | |
| 1.5 (xxii) c) | Names of companies in which the person also holds the directorship and the membership of committees of the board. | √ | | |
| 2.0 | Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS) | | | |
| 2.1 | Appointment | | | |

| | | | | |
|------------|---|---|---|-----|
| | The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS. | √ | | |
| 2.2 | Requirement to attend the Board Meetings | | | |
| | The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors provided that the CFO and /or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters. | √ | | |
| 3.0 | Audit Committee | | | |
| 3 (i) | The company shall have an Audit Committee as a sub-committee of the Board of Directors | √ | | |
| 3 (ii) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | √ | | |
| 3 (iii) | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing. | √ | | |
| 3.1 | Constitution of Audit Committee | | | |
| 3.1 (i) | The Audit Committee shall be composed of at least 3 (three) members | √ | | |
| 3.1 (ii) | The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director. | √ | | |
| 3.1 (iii) | All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience. | √ | | |
| 3.1 (iv) | When the term of service of the | - | - | N/A |

| | | | | |
|------------|---|---|--|--|
| | Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee. | | | |
| 3.1 (v) | The company secretary shall act as the secretary of the Committee. | √ | | |
| 3.1 (vi) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | √ | | |
| 3.2 | Chairman of the Audit Committee | | | |
| 3.2 (i) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director. | √ | | |
| 3.2 (ii) | Chairman of the audit committee shall remain present in the Annual General Meeting (AGM). | √ | | |
| 3.3 | Role of Audit Committee shall include the following: | | | |
| 3.3 (i) | Oversee the financial reporting process. | √ | | |
| 3.3 (ii) | Monitor choice of accounting policies and principles. | √ | | |
| 3.3 (iii) | Monitor Internal Control Risk management process. | √ | | |
| 3.3 (iv) | Oversee hiring and performance of external auditors. | √ | | |
| 3.3 (v) | Review along with the management, the annual financial statements before submission to the board for approval. | √ | | |
| 3.3 (vi) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval. | √ | | |
| 3.3 (vii) | Review the adequacy of internal audit function. | √ | | |
| 3.3 (viii) | Review statement of significant related | √ | | |

| | | | | |
|---------------|--|---|---|-------------------------|
| | party transactions submitted by the management. | | | |
| 3.3 (ix) | Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors. | √ | | |
| 3.3 (x) | When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus. | - | - | N/A |
| 3.4 | Reporting of the Audit Committee | | | |
| 3.4.1 | Reporting to the Board of Directors | | | |
| 3.4.1 (i) | The Audit Committee shall report on its activities to the Board of Directors. | √ | | |
| 3.4.1(ii) | The Audit committee shall immediately report to the Board of Directors on the following findings, if any; | | | |
| 3.4.1 (ii) a) | Report on conflicts of interests; | - | - | There was no such issue |
| 3.4.1 (ii) b) | Suspected or presumed fraud or irregularity or material defect in the internal control system; | - | - | There was no such issue |
| 3.4.1 (ii) c) | Suspected infringement of laws, including securities related laws, rules and regulations; and | - | - | There was no such issue |
| 3.4.1 (ii) d) | Any other matter which shall be disclosed to the Board of Directors immediately | - | - | There was no such issue |
| 3.4.2 | Reporting to the Authorities | | | |
| | If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably | - | - | There was no such issue |

| | | | | |
|----------|--|-------------------------------|--|-----|
| | ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier. | | | |
| 3.5 | Reporting to the Shareholders and General Investors | | | |
| | Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company. | √ | | |
| 4.0 | External/Statutory Auditors. | | | |
| 4 (i) | Non-engagement in Appraisal or valuation services or fairness opinions | √ | | |
| 4 (ii) | Non-engagement in designing and implementation of Financial Information System | √ | | |
| 4 (iii) | Non-engagement Book-keeping or accounting | √ | | |
| 4 (iv) | Non-engagement Broker-dealer services | √ | | |
| 4 (v) | Non-engagement in Actuarial services | √ | | |
| 4 (vi) | Non-engagement in Internal audit services | √ | | |
| 4 (vii) | Non-engagement in any other service determined by the Audit Committee | √ | | |
| 4 (viii) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company. | √ | | |
| 4 (ix) | Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7. | √ | | |
| 5.0 | Subsidiary Company | The Company has no subsidiary | | |
| 5 (i) | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | | | N/A |
| 5 (ii) | At least 1 (one) independent director on | | | N/A |

| | | | | |
|----------|--|---|--|-----|
| | the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. | | | |
| 5 (iii) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | | | N/A |
| 5 (iv) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also. | | | N/A |
| 5 (v) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | | | N/A |
| 6.0 | Duties of Chief Executive Officer (CEO)& Chief Financial Officer (CFO) | | | |
| 6 (i) | The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief; | √ | | |
| 6 (i) a) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. | √ | | |
| 6 (i) b) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws. | √ | | |
| 6 (ii) | There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct. | √ | | |
| 7.0 | Reporting and Compliance of Corporate Governance | | | |
| 7 (i) | The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis. | √ | | |
| 7 (ii) | The directors of the company shall state, | √ | | |

| | | | | |
|--|---|--|--|--|
| | in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions. | | | |
|--|---|--|--|--|

c) **Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.**

The name of audit committee members and remuneration committee members are as follows:

| Audit Committee Members Name | Remuneration Committee Members Name |
|--|---|
| <ul style="list-style-type: none"> • Md. Musfiqur Rahman (Independent Director) Chairman of the Committee • Mrs. Silvana Mirza (Chairman) • Dr. Saira Khan, Managing Director • Md. Iqbal Hossain, Company Secretary | <ul style="list-style-type: none"> • Mrs. Silvana Mirza -Chairman of the Committee • Dr. Saira Khan, Managing Director • Md. Musfiqur Rahman (Independent Director) • Md. Abul Kasem, Chief Financial Officer • Md. Iqbal Hossain, Company Secretary |

The terms of reference of the audit committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual “Audit Plan” of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
- To review the company’s statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

The terms of reference of the remuneration committee has been agreed upon as follows:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

CHAPTER (XV)

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGERS

The valuation report of securities offered is prepared and justified by the issue managers (Prime Finance Capital Management Limited, Imperial Capital Limited and SBL Capital Management Limited) on the basis of the financial and all other information pertinent to the Issue.

Qualitative and Quantitative factors for Valuation:

Qualitative Justification:

1. **Strong Management:** The Company has good management to run the company efficiently.
2. **Product line variety:** The Company's product line has variety. The company sells different line of product
3. **Modern Machineries:** The Company has been using modern machineries that that smooth our operation.
4. **Technology:** The Company has latest tools and technologies to support production.
5. **Dedicated Workforce:** The Company has dedicated human resources.
6. **Risk Management:** Good risk management and compliance cultures are in place.

Quantitative Justification:

The issue price at Tk. 10.00 each is justified as details below:

| Particulars | Amount (in Tk.) |
|---|-----------------|
| Method 1: Net Asset Value (NAV) per share/Equity based valuation | |
| Net Asset Value per share (without revaluation reserve) | 16.48 |
| Method 2: Historical Earnings based valuation | |
| Earnings based Value per share based on Overall Market P/E | 11.52 |
| Method 3: Average market price of similar stock based valuation | 284.57 |

Method 1: Share price on Net Asset Value (NAV)/Equity based valuation

Net Asset Value per share (without revaluation reserve)

| Sl. No. | Particulars | Amount (in Tk.) |
|--|-------------------|----------------------|
| a) | Share Capital | 1,000,000,000 |
| b) | Retained Earnings | 647,797,063 |
| Total Shareholders' Equity (A) | | 1,647,797,063 |
| Number of Share Outstanding as on 31 December, 2016 (B) | | 100,000,000 |
| Net Asset Value per share (without revaluation reserve) as per Audit Report as on 30 June, 2017 (A/B) | | 16.48 |

Method 2: Historical Earnings based value per share

Earnings based Value per share based on Overall Market P/E

| Year | No. of Share | Net Profit after Tax | Weight (%) | Weighted Average Net Profit after Tax |
|---|--------------------|----------------------|-------------|---------------------------------------|
| 31-May-13 | 12,000,000 | 44,871,225 | 0.06 | 2,894,918 |
| 31-May-14 | 12,000,000 | 49,321,188 | 0.06 | 3,182,012 |
| 31-May-15 | 12,000,000 | 51,958,088 | 0.06 | 3,352,135 |
| 30-Jun-16 | 50,000,000 | 74,724,574 | 0.27 | 20,087,251 |
| 30-Jun-17 | 100,000,000 | 80,278,559 | 0.54 | 43,160,516 |
| Total | 186,000,000 | 301,153,634 | 1.00 | 72,676,831 |
| Weighted Average Net Profit after Tax | | | | 72,676,831 |
| No. of shares outstanding before IPO | | | | 100,000,000 |
| Weighted Average Earnings per share | | | | 0.73 |
| DSE Overall Market Average P/E of 3 months from Feb-Apr, 2018 | | | | 15.86 |
| Earnings based Value per share | | | | 11.52 |

Calculation of Pharmaceuticals & Chemicals Sector/Overall Market Average P/E:

| Particulars | Feb-18 | Mar-18 | Apr-18 | Average |
|---|--------|--------|--------|--------------|
| Sectoral Market P/E (Pharmaceuticals & Chemicals) | 21.64 | 21.30 | 21.38 | 21.44 |
| Overall Market P/E | 16.47 | 15.67 | 15.43 | 15.86 |

Lesser of 21.44 & 15.86 is 16.25

Source: DSE Monthly Review.

Method 3: Average market price of similar stock based valuation

| Month end closing price | | | | | | | | | | |
|---|-----------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------|----------------------|---------------------|-----------------|--------------------------------|
| Sl. | Date | Ambee Pharmaceuticals Limited | Beacon Pharmaceuticals Limited | Beximco Pharmaceuticals Limited | Central Pharmaceuticals Limited | Orion Infusion Ltd. | Orion Pharma Limited | Pharma Aids Limited | Renata Limited | Square Pharmaceuticals Limited |
| 1 | 31-May-17 | 397.80 | 21.30 | 108.20 | 27.20 | 282.00 | 48.10 | 267.30 | 1,098.70 | 282.00 |
| 2 | 29-Jun-17 | 406.10 | 23.10 | 113.00 | 30.30 | 290.10 | 50.80 | 273.50 | 1,157.10 | 290.10 |
| 3 | 31-Jul-17 | 420.40 | 23.70 | 111.70 | 29.00 | 282.80 | 49.60 | 275.90 | 1,135.60 | 282.80 |
| 4 | 31-Aug-17 | 449.70 | 22.50 | 108.40 | 27.70 | 62.90 | 48.80 | 283.30 | 1,140.30 | 286.10 |
| 5 | 28-Sep-17 | 415.30 | 21.20 | 106.80 | 24.10 | 58.90 | 47.90 | 273.90 | 1,164.90 | 306.00 |
| 6 | 31-Oct-17 | 402.60 | 21.60 | 97.40 | 22.80 | 59.80 | 48.60 | 303.10 | 1,198.20 | 297.40 |
| 7 | 30-Nov-17 | 407.20 | 21.30 | 103.90 | 23.30 | 55.70 | 49.10 | 380.80 | 1,093.40 | 301.80 |
| 8 | 28-Dec-17 | 387.20 | 21.30 | 103.80 | 18.70 | 55.50 | 48.70 | 418.30 | 1,124.20 | 301.80 |
| 9 | 31-Jan-18 | 379.10 | 21.10 | 106.40 | 16.20 | 54.70 | 47.20 | 431.70 | 1,230.20 | 326.00 |
| 10 | 28-Feb-18 | 440.90 | 19.80 | 105.20 | 16.40 | 53.20 | 47.80 | 517.00 | 1,261.10 | 313.30 |
| 11 | 29-Mar-18 | 378.10 | 19.20 | 102.80 | 15.20 | 52.90 | 47.80 | 464.40 | 1,233.90 | 310.00 |
| 12 | 30-Apr-18 | 421.70 | 21.60 | 105.50 | 15.40 | 50.00 | 44.50 | 499.60 | 1,261.90 | 306.90 |
| Average Price | | 408.84 | 21.48 | 106.09 | 22.19 | 113.21 | 48.24 | 365.73 | 1,174.96 | 300.35 |
| Average Price of these 9 (Nine) Stocks | | | | | | | | | | 284.57 |

Source: DSE Monthly Review.

Average market price of similar stock based valuation (Assumption)

1. The average month end close price of the peer Company from May, 2017 to Apr 2018 is considered.

Rationale for choosing these 9 Companies:

There are twenty-eight pharmaceutical companies listed in the capital market. Among the twenty-eight companies SPL has taken nine companies because SPL's product mix, capital structure and revenue matches to these nine companies.

The management of the Company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

CHAPTER (XVI)

DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

CHAPTER (XVII)

PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involved and their responsibilities are as follows:

| Parties involved with SPL | | Responsibilities |
|----------------------------------|--|---|
| (a) Issue Manager(s) | (1) Prime Finance Capital Management Limited; (2) Imperial Capital Limited; (3) SBL Capital Management Limited. | The Issue Managers will act as the managers to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. |
| (b) Underwriters | (1) AIBL Capital Management Limited; (2) MTB Capital Limited; (3) BMSL Investment Limited; (4) CAPM Advisory Limited & (5) EXIM Islami Investment Limited. | The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. |
| (c) Statutory Auditors | Mahfel Huq & Co. Chartered Accountants | To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA). |
| (d) Cost Auditor | No | - |
| (e) Valuer | No | N/A |
| (f) Credit Rating Company | No | N/A |

CHAPTER (XVIII)

MATERIAL CONTRACTS

Material contracts are as follows:

| | (a) Major agreements entered into by the Issuer | (b) Material parts of the agreements | (c) Fees payable to different parties |
|-----------------------|---|---|---|
| Issue Managers | Issue Management Agreement between the Company, Silva Pharmaceuticals Limited and the Managers to the issue, Prime Finance Capital Management Limited, Imperial Capital Limited & SBL Capital Management Limited. | To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015. | To PFCML-Tk. 10.00 Lac, ICL-Tk. 15.00 Lac & SBLCML-Tk. 5.00 Lac. |
| Underwriters | Underwriting Agreement between the Company and the following underwriters: (1) AIBL Capital Management Limited; (2) MTB Capital Limited; (3) BMSL Investment Limited; (4) CAPM Advisory Limited & (5) EXIM Islami Investment Limited. Total Underwritten amount Tk. 105,000,000 | The issuer, in the event of under subscription, shall notice to the underwriters within ten days of closer of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited in to securities subscription account within the said period. The issuer shall within 7 days of the expiry of the period mentioned above, sent to the commission proof of subscription and deposit of the money by the underwriters. | underwriting commission at the rate of 0.50% on 35% of the Total IPO amount (i.e. Tk. 525,000.00) |

Copies of the above-mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

CHAPTER (XIX)

LITIGATIONS, FINE OR PENALTY

- (a) **The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

The issuer or any of its directors was not involved in any of the following type of legal proceedings mentioned below;

- (i) Litigation involving Civil Laws;
- (ii) Litigation involving Criminal Laws;
- (iii) Litigation involving Securities, Finance and Economic Laws;
- (iv) Litigation involving Labor Laws;
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes or duties);
- (vi) Litigation involving any other Laws.

- (b) **Cases including outstanding litigations filed by the Company or any of its directors:**

There is no outstanding case filed by the issuer or any of its directors to any of the following types of legal proceedings mentioned below;

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** No cases filed by the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

CHAPTER (XX)

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

(i) **Internal risk factors may include, among others:**

- a) **Credit Risk:** This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception: Credit Risk mainly lies with Financial Institutions. Since Silva Pharmaceuticals Limited (SPL) is involved in manufacturing and marketing of pharmaceuticals finished products, there is no such credit risk. Regarding credit sales, company try to ensure credit policy so that operating cycle can be efficient comparing to other competitors.

- b) **Liquidity Risk:** The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception: Finance is an arts and science of managing fund so that it can manage working capital in efficient way. Silva Pharmaceuticals Limited (SPL) is also doing its level best to manage working capital management in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

- c) **Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:** If the subsidiaries make loss, it affects parent company's balance sheet. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

Management Perception: Silva Pharmaceuticals Limited (SPL) has no subsidiary, associate and joint venture.

- d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:** There is risk involved in having limited number of customer and losing of that particular customer has negative impact on company's sales and cash flow as well.

Management Perception: The Management is always keen to find out new buyers which boost up the sales. The company generates revenues from selling pharmaceuticals finished products across the country. Hence, the company is not dependent on any particular or limited number of customers to operate our business.

- e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:** There is also risk involved in having limited number of suppliers as well. Single or few suppliers may exploit the company by price hike, untimely delivery and low quality of product.

Management Perception: In business, having many suppliers of raw materials helps to get competitive advantage of cheaper price of raw materials. Because, having many suppliers help to bargain with suppliers over price. In addition, having many supplier helps to maintain doing business efficiently. As we hold the views, we are not dependent on a single or few suppliers. We have many suppliers from different countries that we have also mentioned in the prospectus.

- f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:** Having 20% revenue generation from sister concern or associate or subsidiary makes issuer dependent on others companies. Hence, there is dependency risk.

Management Perception: We do not have any sister concerns and associate or subsidiary.

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:** Negative earning and negative operating cash flow is risk the going concern risk for the entity.

Management Perception: We have been operating our business efficiently. We do not have any negative earning and negative cash flow from operation.

- h) **Loss making associate or subsidiary or group companies of the issuer:** When associate or subsidiary or group companies of the issuer are loss making, it affect the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management Perception: We do not have any associate.

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates:** Financial weakness and poor performance of the issuer have negative impact on the company. As a result it will be tough to pay loan interest, debt service and dividend. Future growth will be hampered.

Management Perception: Sales is one of the key indicators of success of a business if there is good margin of profit. Silva Pharmaceuticals Limited (SPL) has been generating sales growth efficiently.

- j) **Decline in value of any investment:** If investment value decline, it will reduce the profit and assets as well.

Management Perception: We have investment in the form of FDR at fixed interest rate. Hence, value of investment will be increased after maturity period of FDR.

- k) **Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:** There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.

Management Perception: We have been using new branded machineries.

- l) **Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall:** It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

Management Perception: There is no as such loan given to related party or loan taken from directors.

- m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:** In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

Management Perception: There is no potential conflict of Interest as we do not have any venture which is in the same line of activity.

- n) **Related party transactions entered into by the company those may adversely affect competitive edge:** Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

Management Perception: There is no as such transaction which may adversely affect competitive edge.

- o) **Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities:** All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

Management Perception: There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

- p) **Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:** In such case, company's business operation will be hampered.

Management Perception: We are used to with the political unrest for long time and our business industries are used to dealing with this phenomenon. We provide competitive wages among the competitors of us. In addition, there is government regulation of paying minimum wage. We comply with the rules.

- q) **Seasonality of the business of the issuer:** It is the risk involving that company is not doing business round the year.

Management Perception: We manufacture and sell pharmaceuticals ltd. We sell our products round the years.

- r) **Expiry of any revenue generating contract that may adversely affect the business:** This is the risk of losing customers affecting future sales.

Management Perception: We do not have any revenue generating contract that may adversely affect the business.

- s) **Excessive dependence on debt financing which may adversely affect the cash flow:** Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.

Management Perception: The Company is not dependent on any excessive debt finance and debt equity ratio is less than 1.

- t) **Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:** Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel is of bad intention, excessive dependence will also affect the business.

Management Perception: Corporate Governance is well practiced in our company. We have also well-placed organogram in our company. Hence, any change in the key management can be replaced with other persons.

- u) **Enforcement of contingent liabilities which may adversely affect financial condition:** It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception: We do not have any contingent liabilities which may adversely affect financial condition.

- v) **Insurance coverage not adequately protect against certain risks of damages:** Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception: We have fire insurance is in place.

- w) **Absence of assurance that directors will continue its engagement with Company after expiry of lock in period:** Directors run the company with the accumulated finance from public and other financing source. If directors discontinue running the business, there will be negative impact on business and share price as well.

Management Perception: Our directors are involved in the business for long time and they will continue the business after expiry of lock in period.

- x) **Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:** Dividend payment is highly dependent on company's ability to generate profit. If company can not earn good amount of profit from operation, it is unlikely to pay dividend.

Management Perception: We have been earning profit and a profitable entity. We believe that we will be able to pay dividend from our earning profit.

- y) **History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:** If there is any non-operation of the company, it creates negative impression. Apart from this, short operation history indicates company is gathering knowledge and expertise to be competitive in the market.

Management Perception: Such case did not happen in the history of our company.

- z) **Risks related to engagement in new type of business, if any:** If it is new business, there is risk of viability of the new business.

Management Perception: There is no as such risk as we are not engaged in any new type of business.

- aa) **Risk in investing the securities being offered with comparison to other available investment options:** If the issue price goes down after floating, there is investment risk for the potential investors.

Management Perception: We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

- bb) **Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:** *It creates a negative impression on the issuer.*

Management Perception: There are no as such issues arisen in the history of our company.

- cc) **Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:** *It creates a negative impression on the issuer.*

Management Perception: We do not have any litigation relating to Tax, VAT or other government claims against of our company.

- dd) **Registered office or factory building or place of operation is not owned by the issuer:**

Our factory is situated at Joykrishnapur, Main Road, Maijdee Court, Noakhali, and registered office and corporate office is situated at Dhanmondi. At present our factory and registered offices are on rented building.

Management Perception: Our registered and corporate office are rented and situated at Dhanmondi. Our factory is situated at Joykrishnapur, Main Road, Maijdee Court,

Noakhali. At present our factory is on rented building. Our new owned factory building is ready and we will shift soon. We have also plan for our owned registered and corporate office.

- ee) **Lack of renewal of existing regulatory permissions or licenses:** In this case company is not following the law to renew its all licenses.

Management Perception: There is no such issue relating to lack of existing regulatory permissions/ licenses.

- ff) **Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:** Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception: There is no incident of failure in holding AGM or declaring dividend or payment of interest by the issuers.

- gg) **Issuances of securities at lower than the IPO offer price within one year:**

Management Perception: Silva Pharmaceuticals Limited (SPL) has not issued any of its securities at lower than the IPO offer price within one year.

- hh) **Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission:** If any refusal happened in the above cases, it will create negative impression to the issuer.

Management Perception: Such cases did not happen for our company and associates.

(ii) External risk factors may include among others:

- a) **Interest Rate Risks:** When interest rate fluctuates, it causes interest risk. Companies who have debt financing are exposed to this risk highly.

Management Perception: In our country, right now, interest is in downtrend which is beneficial for debt-financing because cost of capital has been less expensive than that of earlier.

- b) **Exchange Rate Risks:** Foreign exchange risk, also known as FX risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception: Silva Pharmaceuticals Limited is procuring raw materials from overseas market and its customers are local customers. Because of importing raw materials, the company is exposed to Exchange Rate Risk. Management is concerned about this. Management believes that any dollar appreciation will be adjusted in product price.

- c) **Industry Risks:** Industry risk is related with the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector, competitor's rivalry.

Management Perception: Silva Pharmaceuticals Limited is aware of the above fact. Industry risk is inherent in any kind of business. At the moment industry is favoring for operating business.

- d) **Economic and Political risks:** This risk can be described as the likelihood that an investment will be affected by macroeconomic conditions such as government regulation, exchange rates, or political stability. In other words, while financing a project, the risk that the output of the project will not produce adequate revenues for covering operating costs and repaying the debt obligations. In a nutshell, economic risk refers to the risk that a venture will be economically unsustainable due to various reasons.

Management Perception: Bangladesh economy is enjoying 7% economic growth and expected economic growth by the government is 7.5%. As a result huge development work is underway by the govt. Hence, huge expensive infrastructure has been under construction that will create employment and per capita income is going up as well. As economy is expanding, so is our business viability and profitability.

Political risks: Bangladesh experienced with political unrest for over the years. Political instability hampers the smooth operation of business.

Management Perception: Nowadays calm and serene atmosphere is prevailing in our country. There is no political chaos as was at the beginning of 2014. Government is industry friendly and trying to its level best to boost up economic activities in the country.

- e) **Market and Technology-related Risks;**

Market risks: *Silva Pharmaceuticals Limited* is operating in a free market economy regime. The company might have to face stiff competition from its competitors.

Management perception: Market risk is dealt with efficiently by the experienced management.

Technology-related risks: Technology always plays a vital role for each and every type of business. Innovation of new and cost-effective technology can increase productivity and reduce costs of production. On the other hand, obsolete technology may have a negative impact on the business.

Management perception: Because of nature of the business Silva Pharmaceuticals Limited applies the latest technology to deal with its operation. If it is does not uses latest technology, it will not be able to cope with the competitors.

- f) **Potential or existing government regulations:** Potential or existing Govt. regulations may hamper the smooth operation of the industry.

Management perception: We are enjoying good atmosphere in operating our business. Government regulations are favorable for the company.

- g) **Potential or existing changes in global or national policies:** Policies from govt has a positive or negative impact on any company along with existing changes in globally.

Management perception: Nowadays global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industries opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

- h) **Statutory clearances and approvals those are yet to be received by the issuer:** Statutory clearance and approval is imperative for any business to start off. There are many statutory clearances and approvals need by the regulatory authority in order to be monitored, controlled and guided.

Management Perception: Silva Pharmaceuticals Limited has been running its business over the years. We have collected all the statutory clearance to operate our business. Hence, there are no as such risks for our Company.

- i) **Competitive condition of the business:** Silva Pharmaceuticals Limited is operating in a free market economy. The company has to face stiff competition from its competitors.

Management Perception: Silva Pharmaceuticals Limited has been in the market over the years. We are doing our level best to be competitive with our competitors. Hence, there is always check and balance existed among the rivalry companies.

- j) **Complementary and supplementary products or services which may have an impact on business of the issuer:** Complementary products or services that are used in conjunction with another products or services. Usually, the complementary products have no value when consumed alone, but when combined with another product or service, it adds to the overall value of the offering. A product can be considered a complement when it shares a beneficial relationship with another product offering. Supplementary products are two products that are used together. For example, if we have a car, we also need petrol to run the car. Supplementary products have a negative cross elasticity of demand. For instance, when price of petrol goes up, demand for petrol and cars goes down.

Management Perception: The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

(iii) Other risks:

- a) Risk Related to the Company having poor market share compare to its competitors;

Management Perception: Our market share is rising because of our substantial effort. We believe that we will be able to cope with our competitors.

- b) Risk Related to expansion of business through IPO proceeds;

Management Perception: IPO proceeds will enable us to enhance the expansion of the business. In pharmaceuticals business, there is more investment needs to compete with competitors.

CHAPTER (XXI)

DESCRIPTION OF THE ISSUE

(a) **Issue Size:** Tk. 300,000,000.00

(b) **Number of securities to be issued;**

The Company will offer 30,000,000 Ordinary Shares, of these 30,000,000 ordinary shares 10% (i.e. 3,000,000 Ordinary Shares) are reserved for Mutual Funds & CIS and 40% (i.e. 12,000,000 Ordinary Shares) are reserved for Eligible Investor (EI) excluding mutual funds & CIS and 10% (i.e. 3,000,000 Ordinary Shares) are reserved for NRB and remaining 40% (i.e. 12,000,000 Ordinary Shares) to General Public excluding NRB and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী।

(c) **Authorized capital and paid-up capital;**

| Particular | Amount in Tk. |
|--|-------------------------|
| Authorized Capital 150,000,000 Ordinary Share of Tk.10.00 each | 1,500,000,000.00 |
| Issued, Subscribed and Paid up Capital Before IPO 100,000,000 Ordinary Shares of Taka 10.00 each | 1,000,000,000.00 |
| Initial Public Offering through Fixed Price Method 30,000,000 Ordinary Shares of Taka 10.00 each | 300,000,000.00 |
| Post IPO Paid up Capital | 1,300,000,000.00 |

(d) **Face value, premium and offer price per unit of securities;**

| | |
|-----------------------|----------------|
| Face value per Share | Tk. 10.00 each |
| Premium | - |
| Offer Price per Share | Tk. 10.00 each |

(e) **Number of securities to be entitled for each category of applicants;**

| Category | Particular | Number of Shares | Issue Price per Share | Amount in Tk. |
|------------------------|--|-------------------|-----------------------|--------------------|
| Eligible Investor (EI) | 10% of IPO i.e. 3,000,000 Ordinary Shares shall be reserved for Mutual Funds and CIS | 3,000,000 | 10.00 | 30,000,000 |
| | 40% of IPO i.e. 12,000,000 Ordinary Shares shall be reserved for Eligible Investor excluding mutual funds and CIS | 12,000,000 | | 120,000,000 |
| General Public | 10% of IPO i.e. 3,000,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRB) | 3,000,000 | | 30,000,000 |
| | 40% of IPO i.e. 12,000,000 Ordinary Shares shall be reserved for General Public excluding NRB and ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী | 12,000,000 | | 120,000,000 |
| Total | | 30,000,000 | | 300,000,000 |

(f) Holding structure of different classes of securities before and after the issue;

| Sl. No. | Category of Shareholders | No. of Ordinary Shares Hold | | Percentage of Holding | |
|--------------|----------------------------------|-----------------------------|--------------------|-----------------------|----------------|
| | | Pre-IPO | Post-IPO | Pre-IPO | Post-IPO |
| 1 | Director & Sponsor | 69,540,000 | 69,540,000 | 69.54% | 53.49% |
| 2 | Institutional | 5,000,000 | 17,000,000 | 5.00% | 13.08% |
| 3 | Mutual fund | - | 3,000,000 | 0.00% | 2.31% |
| 4 | Individual | 35,720,000 | 47,720,000 | 35.72% | 36.71% |
| 5 | Non Resident Bangladeshis (NRBs) | - | 3,000,000 | 0.00% | 2.31% |
| Total | | 100,000,000 | 130,000,000 | 100.00% | 100.00% |

(g) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

An amount of Tk. 22,500,000 will be used for IPO expenses out of total IPO proceeds. The feasibility report in respect enhances paid up capital as prepared by Shaiful Alam FCA, Partner, S.R. Islam & Co., Chartered Accountants is enclosed below:

Proceeds from Initial Public Offering (IPO) will be used for acquisition of brand new machinery & equipment, civil construction of factory building, repayment of term loan of NCC Bank Limited and IPO Expenses.

| Sl. | Particulars | Amount in Tk. |
|-----|--|--------------------|
| 01 | Acquisition of brand new machinery and equipments | 122,500,000 |
| 02 | Civil construction of two storied new factory building | 56,000,000 |
| 03 | Repayment of term loan of NCC Bank Limited (Kawran Bazar Branch) | 99,000,000 |
| 04 | IPO expenses | 22,500,000 |
| | Total | 300,000,000 |

Feasibility in respect of enhanced paid-up capital:

Statement of Financial Position (Projected)

| Particulars | Amount in Taka | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Audited | Projected | | |
| | 30-06-2017 | 30-06-2018 | 30-06-2019 | 30-06-2020 |
| ASSETS | | | | |
| Non-Current Assets | 843,729,229 | 973,412,647 | 1,230,249,168 | 1,260,858,896 |
| Property, Plant & Equipment | 706,738,552 | 973,412,647 | 1,143,701,313 | 1,238,327,991 |
| Capital work-in-Progress | 136,990,677 | - | 86,547,855 | 22,530,905 |
| Current Assets | 1,097,434,352 | 1,109,133,313 | 1,203,313,057 | 1,415,175,038 |
| Inventories | 369,548,334 | 419,773,924 | 518,906,518 | 617,129,899 |
| Trade and Other Receivables | 253,498,965 | 312,953,830 | 402,867,547 | 466,604,871 |
| Advances, Deposits and Prepayments | 270,877,947 | 158,699,905 | 157,805,897 | 210,100,666 |
| Investment in FDR | 120,000,000 | 120,000,000 | - | - |
| Cash and Cash Equivalents | 83,509,106 | 97,705,654 | 123,733,095 | 121,339,602 |
| Total Assets | 1,941,163,581 | 2,082,545,960 | 2,433,562,224 | 2,676,033,934 |
| SHAREHOLDERS EQUITY AND LIABILITIES: | | | | |
| Equity attributable to the Shareholders | 1,647,797,063 | 1,764,875,516 | 2,267,251,678 | 2,479,283,097 |
| Share Capital | 1,000,000,000 | 1,000,000,000 | 1,300,000,000 | 1,300,000,000 |
| Retained Earnings | 647,797,063 | 764,875,516 | 967,251,678 | 1,179,283,097 |
| Non-Current Liabilities | 86,031,226 | 97,442,586 | 81,480,939 | 92,809,887 |
| Deferred Tax Liabilities | 86,031,226 | 97,442,586 | 81,480,939 | 92,809,887 |
| Current Liabilities | 207,335,292 | 220,227,857 | 84,829,608 | 103,940,950 |
| Trade and Other Payables | 4,311,781 | 7,801,026 | 10,845,566 | 13,222,542 |
| Current Portion of Long Term Loan | 99,000,000 | 99,000,000 | - | - |
| Provision for Expenses | 104,023,511 | 113,426,831 | 73,984,042 | 90,718,408 |
| Total Liabilities | 293,366,518 | 317,670,443 | 166,310,546 | 196,750,837 |
| Total Equity & Liabilities: | 1,941,163,581 | 2,082,545,959 | 2,433,562,224 | 2,676,033,934 |
| Net Assets Value (NAV) per share | 16.48 | 17.65 | 17.44 | 19.07 |

Statement of Comprehensive Income (Projected)

| Particulars | Amount in Taka | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Audited | Projected | | |
| | 01/07/2016 to 30/06/2017 | 01/07/2017 to 30/06/2018 | 01/07/2018 to 30/06/2019 | 01/07/2019 to 30/06/2020 |
| Turnover | 602,491,592 | 743,474,625 | 936,778,027 | 1,049,191,390 |
| Cost of goods sold | (365,775,793) | (444,766,447) | (552,975,449) | (616,883,382) |
| Gross Profit | 236,715,799 | 298,708,178 | 383,802,578 | 432,308,008 |
| Operating expenses | (112,074,765) | (116,321,759) | (147,182,648) | (144,019,344) |
| Operating Income | 124,641,034 | 182,386,419 | 236,619,929 | 288,288,664 |
| Financial expenses | (354,646) | (391,437) | (550,037) | (630,579) |
| Net Operating Profit | 124,286,388 | 181,994,982 | 236,069,892 | 287,658,085 |
| Non-operating income | 5,665,239 | 7,131,750 | 8,279,699 | 9,185,902 |
| Net Profit before Contribution to WPPF | 129,951,627 | 189,126,732 | 244,349,591 | 296,843,987 |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | (6,188,173) | (9,006,035) | (11,635,695) | (14,135,428) |
| Net Profit before Income Tax | 123,763,454 | 180,120,697 | 232,713,897 | 282,708,559 |
| Income Tax Expenses: | (43,484,895) | (63,042,244) | (58,178,474) | (70,677,140) |
| Current Tax Expenses | (35,724,236) | (51,630,883) | (46,299,383) | (59,348,191) |
| Deferred Tax expenses | (7,760,659) | (11,411,360) | (11,879,091) | (11,328,948) |
| Net Profit after tax | 80,278,559 | 117,078,453 | 174,535,422 | 212,031,419 |
| Re-stated Earnings Per Share (EPS) | 1.03 | 1.17 | 1.37 | 1.63 |

- Dividend is not considered

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

| The projected financial statement has been prepared on underlying assumption | | | | |
|---|---|--------------------------|-------------------|-------------------|
| Assumption indicator | Assumption's Basis | Assumptions Years | | |
| | | 30-June-18 | 30-June-19 | 30-June-20 |
| Capacity Increase | Capacity will be increased as new machineries will be introduced. | 8% | 15% | 10% |
| Capacity Utilization | Capacity utilization will be increased for new machinery installation and efficient use of machinery. | 70%-72% | 73%-75% | 75%-77% |
| Sales Revenue Increase | Sales will be increased for qualitative products by the increase of sales volume and unit price. | 23.40% | 26.00% | 12.00% |
| Operating Expenses Increase/ (Decrease) | Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2019. Expenses will be reduced in the year 2020 because of no IPO Expense in the year. | 3.79% | 26.53% | -2.15% |
| Property, Plant and Equipment Addition | Property, Plant and Equipment will be increased in every year for the purpose of production increase | 322,665,648 | 233,953,602 | 170,169,662 |
| Paid up Capital Increase | Paid up Capital will be increased by Tk. 300,000,000 through IPO in FY 2018-2019. | - | 300,000,000 | - |
| Dividend | Dividend is not considered here as the decision is not predetermined. | - | - | - |

Sd/-
Shaiful Alam FCA
Partner
S.R. Islam & Co.
Chartered Accountants

CHAPTER (XXII)

USE OF PROCEEDS

- (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sources of Fund:

| Particulars | Amount in BDT |
|--|------------------------|
| Number of Shares issue under Initial Public Offering (IPO) | 3,00,00,000.00 |
| Issue price -at par | 10.00 |
| Total Amount | 30,00,00,000.00 |

Proceeds from Initial Public Offering (IPO) will be used for acquisition of brand new machinery & equipment, civil construction of factory building, repayment of term loan of NCC Bank Limited and IPO Expenses.

| Sl. | Particulars | Amount in Tk. |
|------------|--|----------------------|
| 01 | Acquisition of brand new machinery and equipments to be placed in newly 2 storied factory building | 122,500,000 |
| 02 | Civil construction of two storied new factory building in owned land | 56,000,000 |
| 03 | Repayment of term loan of NCC Bank Limited (Kawran Bazar Branch) | 99,000,000 |
| 04 | IPO expenses (Detailed Breakdown of IPO Expenses in page number 113-114) | 22,500,000 |
| | Total | 300,000,000 |

Details of Machinery and Equipments:

| SL No. | Machine Name | Capacity | Model No. | Origin | Probable Supplier/Local Agent Name | Quantity | Rate/Unit | Amount | | Total Amount (BDT) |
|--------------|---|----------------------|--------------|---------|------------------------------------|----------|-----------|-----------|------------|--------------------|
| | | | | | | | | F.C | BDT | |
| 1 | Six Head Automatic Liquid Filling Line | 4000-5000 Ph/Hr | | India | MSP International, India | 1 | 90,350 | 90,350 | 7,499,050 | 7,499,050 |
| 2 | High Speed Blister Packaging Machine | 120000 Psc/Hr | DPP260Ki-2 | China | Rainbow Pacific Ltd. Dhaka | 1 | 71,000 | 71,000 | 5,893,000 | 5,893,000 |
| 3 | Fluid Bed Processor | 250 Kgs | | India | Rainbow Pacific Ltd. Dhaka | 1 | 145,550 | 145,550 | 12,080,650 | 12,080,650 |
| 4 | Double Cone Blender | 250Ltrs/125Kgs | ADDCB-240 | India | Rainbow Pacific Ltd. Dhaka | 2 | 6,280 | 6,280 | 521,240 | 1,042,480 |
| 5 | Tablet Compression Machine | 132000-438000 pcs/Hp | VPBB ii-61 | India | Rainbow Pacific Ltd. Dhaka | 1 | 90,440 | 90,440 | 7,506,520 | 7,506,520 |
| 6 | Metal Detector | | | | Rainbow Pacific Ltd. Dhaka | 1 | 19,200 | 19,200 | 1,593,600 | 1,593,600 |
| 7 | a) Chiller with dehumidification system | 200 ton | | China | All Air Int'l. Ltd. China | 1 | 750,468 | 750,468 | 62,288,844 | 62,288,844 |
| | b) Ducting | | | China | All Air Int'l. Ltd. China | 1 | - | - | - | 9,386,500 |
| 8 | HPLC (Binary Gradient) | | S-500 Series | Germany | Maks Trading Ltd. | 1 | 15,850 | 15,850 | 1,585,000 | 1,585,000 |
| 9 | Infrared Spectroscopy | | FTIR-TT 650 | Canada | The Chromatospec Supplies | 1 | 45,000 | 45,000 | 3,735,000 | 3,735,000 |
| 10 | Laboratory Incubator | 1092 Ltr | SL-SM 139-2 | USA | BIO-XIN | 2 | 19,467 | 19,467 | 1,615,761 | 3,231,521 |
| 11 | Karl Fisher Titration (Youen) | | MKS-500 | Japan | Maks Trading Ltd. | 1 | 3,600,000 | 3,600,000 | 2,700,000 | 2,700,000 |
| 12 | Disital Friability Tester | | FTA-20 | India | Maks Trading Ltd. | 2 | 4,170 | 4,170 | 346,110 | 692,220 |
| 13 | Tablet Hardness Tester | | TBF 1000 | UK | Maks Trading Ltd. | 4 | 4,800 | 4,800 | 537,600 | 2,150,400 |
| 14 | Balance | 310 g | EJ-303 | Japan | Maks Trading Ltd. | 5 | 109,043 | - | 109,043 | 545,215 |
| 15 | Moisture Analyzer | | WBA 110M | Korea | MBioLogix | 3 | 190,000 | - | 190,000 | 570,000 |
| Total | | | | | | | | | | 122,500,000 |

| SI. No. | Line Items | Unit | Qty | Materials Cost | Labor Cost | | Total | IPO Proceeds | |
|----------|-----------------------------------|--------------------------------------|-------|----------------|------------|--------|---------|--------------|------------------|
| | | | | Amount | Rate | Amount | Amount | Amount (BDT) | |
| 3 | Short Column | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 20 mm | Ton | 3.3 | 191,400 | - | - | 191,400 | 191,400 | |
| | Dia 10 mm | Ton | 0.8 | 46,400 | - | - | 46,400 | 46,400 | |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 70 | 31,500 | - | - | 31,500 | 31,500 | |
| | Sylhet Sand | Cft. | 120 | 5,400 | - | - | 5,400 | 5,400 | |
| | 3/4" Stone Chips | Cft. | 260 | 46,800 | - | - | 46,800 | 46,800 | |
| | | Sub-Total for Pile Cap Work | | | | | | | 321,500 |
| 4 | Grade Beam | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 20 mm | Ton | 3.8 | 220,400 | - | - | 220,400 | 220,400 | |
| | Dia 16 mm | Ton | 2.4 | 139,200 | - | - | 139,200 | 139,200 | |
| | Dia 10 mm | Ton | 2.0 | 116,000 | - | - | 116,000 | 116,000 | |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 550 | 247,500 | - | - | 247,500 | 247,500 | |
| | Sylhet Sand | Cft. | 1,040 | 46,800 | - | - | 46,800 | 46,800 | |
| | 3/4" Stone Chips | Cft. | 2,080 | 374,400 | - | - | 374,400 | 374,400 | |
| | | Sub-Total for Grade Beam Work | | | | | | | 1,144,300 |
| 5 | U.G.W.R | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 16 mm | Ton | 0.220 | 12,760 | - | - | 12,760 | 12,760 | |
| | Dia 12 mm | Ton | 5 | 261,000 | - | - | 261,000 | 261,000 | |
| | Dia 10 mm | Ton | 1.200 | 69,600 | - | - | 69,600 | 69,600 | |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 300 | 135,000 | - | - | 135,000 | 135,000 | |
| | Sylhet Sand | Cft. | 600 | 27,000 | - | - | 27,000 | 27,000 | |
| | 3/4" Stone Chips | Cft. | 1,300 | 234,000 | - | - | 234,000 | 234,000 | |
| | | Sub-Total for U.G.W.R Work | | | | | | | 739,360 |

| 6 | Septic Tank | | | | | | | | |
|-----------|--|------|-------|----------------|---------|------------|---------|---------|------------------|
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 12 mm | Ton | 2.1 | 121,800 | - | - | 121,800 | 121,800 | |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 150 | 67,500 | - | - | 67,500 | 67,500 | |
| | Sylhet Sand | Cft. | 280 | 12,600 | - | - | 12,600 | 12,600 | |
| | 3/4" Picket | Cft. | 600 | 54,000 | - | - | 54,000 | 54,000 | |
| | Sub-Total for Septic Tank Work | | | | | | | | 255,900 |
| SI. No. | Line Items | Unit | Qty | Materials Cost | | Labor Cost | | Total | IPO Proceeds |
| | | | | Rate | Amount | Rate | Amount | Amount | Amount |
| b. | Ground Floor+ 1st Floor Civil Work: | | | | | | | | |
| 1 | Column | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 20 mm | Ton | 12 | 58,000 | 696,000 | - | - | 696,000 | 696,000 |
| | Dia 10 mm | Ton | 3.1 | 58,000 | 179,800 | - | - | 179,800 | 179,800 |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 250 | 450 | 112,500 | - | - | 112,500 | 112,500 |
| | Sylhet Sand | Cft. | 500 | 45 | 22,500 | - | - | 22,500 | 22,500 |
| | 3/4" Stone Chips | Cft. | 1,000 | 180 | 180,000 | - | - | 180,000 | 180,000 |
| | Sub-Total for Column Work | | | | | | | | 1,190,800 |
| 2 | Beam | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 20 mm | Ton | 7 | 58,000 | 406,000 | - | - | 406,000 | 406,000 |
| | Dia 16 mm | Ton | 5 | 58,000 | 266,800 | - | - | 266,800 | 266,800 |
| | Dia 10 mm | Ton | 3.6 | 58,000 | 208,800 | - | - | 208,800 | 208,800 |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 1200 | 450 | 540,000 | - | - | 540,000 | 540,000 |
| | Sylhet Sand | Cft. | 2,000 | 45 | 90,000 | - | - | 90,000 | 90,000 |
| | 3/4" Stone Chips | Cft. | 4,000 | 180 | 720,000 | - | - | 720,000 | 720,000 |
| | Sub-Total for Beam Work | | | | | | | | 2,231,600 |

| | | | | | | | | | |
|----------------|-----------------------------------|-------------|------------|-----------------------|---------------|-------------------|---------------|---------------|---------------------|
| 3 | Slab | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 12 mm | Ton | 4.2 | 58,000 | 243,600 | - | - | 243,600 | 243,600 |
| | Dia 10 mm | Ton | 27.0 | 58,000 | 1,566,000 | - | - | 1,566,000 | 1,566,000 |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 2800 | 450 | 1,260,000 | - | - | 1,260,000 | 1,260,000 |
| | Sylhet Sand | Cft. | 2,600 | 45 | 117,000 | - | - | 117,000 | 117,000 |
| | 3/4" Picket | Cft. | 8,500 | 90 | 765,000 | - | - | 765,000 | 765,000 |
| | Sub-Total for Slab Work | | | | | | | | 3,951,600 |
| SI. No. | Line Items | Unit | Qty | Materials Cost | | Labor Cost | | Total | IPO Proceeds |
| | | | | Rate | Amount | Rate | Amount | Amount | Amount (BDT) |
| 4 | Stair | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 16 mm | Ton | 0.5 | 58,000 | 29,000 | - | - | 29,000 | 29,000 |
| | Dia 12 mm | Ton | 1 | 58,000 | 58,000 | - | - | 58,000 | 58,000 |
| | Sub-Total for Slab Work | | | | | | | | 87,000 |
| 5 | Lintel | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 12 mm | Ton | 0.2 | 58,000 | 11,600 | - | - | 11,600 | 11,600 |
| | Dia 10 mm | Ton | 0.1 | 58,000 | 5,800 | - | - | 5,800 | 5,800 |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 10 | 450 | 4,500 | - | - | 4,500 | 4,500 |
| | Local Sand | Cft. | 20 | 15 | 300 | - | - | 300 | 300 |
| | 3/4" Stone Chips | Cft. | 50 | 90 | 4,500 | - | - | 4,500 | 4,500 |
| | Sub-Total for Lintel Work | | | | | | | | 26,700 |
| 6 | False Slab | | | | | | | | |
| | Rebar Work - fy=72,000 psi | | | | | | | | |
| | Dia 12 mm | Ton | 0.5 | 58,000 | 29,000 | - | - | 29,000 | 29,000 |
| | Casting Material | | | | | | | | |
| | Cement | Bag | 10 | 450 | 4,500 | - | - | 4,500 | 4,500 |
| | Local Sand | Cft. | 40 | 15 | 600 | - | - | 600 | 600 |

| | 3/4" Stone Chips | Cft. | 60 | 90 | 5,400 | - | - | 5,400 | 5,400 |
|-----------|--|---|-----------|----------------|-----------|------------|-----------|-----------|------------------|
| | | Sub-Total for False Slab Work | | | | | | | 39,500 |
| 7 | Brick Work | | | | | | | | |
| | Brick Wall | | | | | | | | |
| | 1st Class Brick | Nos. | 100,000.0 | 11 | 1,100,000 | - | - | 1,100,000 | 1,100,000 |
| | Cement | Bag | 400 | 450 | 180,000 | - | - | 180,000 | 180,000 |
| | Local Sand | Cft. | 2,400 | 15 | 36,000 | - | - | 36,000 | 36,000 |
| | | Sub-Total for False Slab Work | | | | | | | 1,316,000 |
| SI. No. | Line Items | Unit | Qty | Materials Cost | | Labor Cost | | Total | IPO Proceeds |
| | | | | Rate | Amount | Rate | Amount | Amount | Amount (BDT) |
| 8 | Plaster Work | | | | | | | | |
| | Wall+ Ceiling Plaster | | | | | | | | |
| | Cement | Bag | 1,100 | 450 | 495,000 | - | - | 495,000 | 495,000 |
| | Jamuna Sand | Cft. | 6,000 | 26 | 156,000 | - | - | 156,000 | 156,000 |
| | | Sub-Total for Plaster Work | | | | | | | 651,000 |
| 9 | Civil Contractor Rate | | | | | | | | |
| | For All Civil Work (Foundation + 1st Floor) | | | | | | | | |
| | Civil Work | Sft. | 20,000 | - | - | 160 | 3,200,000 | 3,200,000 | 3,200,000 |
| | | Sub-Total for Contractor Rate | | | | | | | 3,200,000 |
| 10 | Tiles Work: | | | | | | | | |
| | Material | | | | | | | | |
| | Tiles (including scutting, toilet & stair) | Sft. | 15,500 | 110 | 1,705,000 | - | - | 1,705,000 | 1,705,000 |
| | Cement | Bag | 1,200 | 450 | 540,000 | - | - | 540,000 | 540,000 |
| | Local Sand | Cft. | 5,600 | 15 | 84,000 | - | - | 84,000 | 84,000 |
| | | Sub-Total for Tiles Work | | | | | | | 2,329,000 |
| 11 | Thai Aluminum Work | | | | | | | | |
| | Thai Aluminum Contractor Work Value | | | | | | | | |
| | Thai Aluminum Material Rate | Sft. | 4,000 | - | - | 300 | 1,200,000 | 1,200,000 | 1,200,000 |
| | Include Labor Cost | | | | | | | | |
| | | Sub-Total for Thai Aluminum Work | | | | | | | 1,200,000 |

| 12 | MS Grill Work | | | | | | | | |
|---------|--|------|--------|----------------|------------|------------|--------|------------|-------------------|
| | MS Grill Work Contractor Rate | | | | | | | | |
| | Grill Material Rate Include Labor Cost | Sft. | 3,500 | - | - | 150 | - | 525,000 | 525,000 |
| | Sub-Total for MS Grill Work | | | | | | | | 525,000 |
| 13 | Door Work | | | | | | | | |
| | Internal Door | | | | | | | | |
| | Door+Frame | Nos. | 15 | 6,000 | 90000 | - | - | 90,000 | 90,000 |
| | Sub-Total for Door Work | | | | | | | | 90,000 |
| SI. No. | Line Items | Unit | Qty | Materials Cost | | Labor Cost | | Total | IPO Proceeds |
| | | | | Rate | Amount | Rate | Amount | Amount | Amount (BDT) |
| 14 | Electric Work | | | | | | | | |
| | Electric Wire | | | | | | | | |
| | Electric Cable | Coil | 150 | 3,500 | 525,000 | - | - | 525,000 | 525,000 |
| | Electric Material | Cft. | 6,000 | 26 | 156,000 | - | - | 156,000 | 156,000 |
| | Mk Box, Electric Pipe, Bend, Socket etc. | | 1 | 100 | 100 | - | - | 100 | 100 |
| | Switch/Socket | Nos. | 800 | 500 | 400,000 | - | - | 400,000 | 400,000 |
| | SDB, Joint Box etc. | | 1 | 50,000 | 50,000 | - | - | 50,000 | 50,000 |
| | Sub-Total for Electric Work | | | | | | | | 1,131,100 |
| 15 | Railing | | | | | | | | |
| | Stair | | 250 | 300 | 75,000 | - | - | 75,000 | 75,000 |
| | Sub-Total for Railing | | | | | | | | 75,000 |
| 16 | Fire Extinguisher | | | | | | | | |
| | Fire Extinguisher | Set | 20 | 5,000 | 100,000 | - | - | 100,000 | 100,000 |
| | Sub-Total for Fire Extinguisher | | | | | | | | 100,000 |
| 17 | Sandwich Panel | | | | | | | | |
| | For Production Floor Ceiling & Room Partition | Sft. | 27,200 | 490 | 13,328,000 | - | - | 13,328,000 | 13,328,000 |
| | Sub-Total for Sandwich Panel | | | | | | | | 13,328,000 |
| 18 | Epoxy Paint | | | | | | | | |
| | For Production Area with Side Wall | Sft. | 14,320 | 660 | 9,451,200 | - | - | 9,451,200 | 9,451,200 |
| | Sub-Total for Epoxy Paint | | | | | | | | 9,451,200 |
| 19 | Carrying & Other Cost | | | | | | | | 1,879,240 |
| | Total Estimated Cost | | | | | | | | 56,000,000 |

(b) **Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;**

Tk. 2,000,000.00 (Twenty Lac), Tk. 19,000,000.00 (One Crore Ninety Lac), Tk. 30,000,000.00 (Three Crore), Tk. 69,000,000.00 (Six Crore Ninety Lac), Tk. 380,000,000.00, (Thirty-Eight Crore), Tk. 150,000,000.00 (Fifteen Crore) and Tk. 350,000,000.00 (Thirty-Five Crore) totaling Tk. 1,000,000,000.00 (Hundred Crore) has been raised prior to the public issue on dated 24.04.2001, 20.06.2002, 21.06.2003, 20.08.2004, 30.09.2015, 24.07.2016 and 20.02.2017 respectively. This fund has already deployed by the issuer in the following manner:

| Accounting Year | Items | Amount in BDT | Reflected in Cash Flows |
|-----------------|-------------------|---------------|---|
| 2001-2002 | Plant & Machinery | 21,000,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| 2002-2003 | Plant & Machinery | 30,000,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| 2004-2005 | Working Capital | 34,000,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| | Plant & Machinery | 35,000,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| 2006-2007 | Working Capital | 8,550,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 2007-2008 | Working Capital | 29,930,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 2008-2009 | Working Capital | 30,415,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 2009-2010 | Working Capital | 9,965,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 2010-2011 | Working Capital | 9,555,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 2011-2012 | Working Capital | 1,600,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 2014-2015 | Term Loan Payment | 89,427,000 | In the statement of Cash Flows, the figure is included in total amount of Repayment of Long Term Loan under the head of Financing Activities. |
| | Factory Building | 23,840,352 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |

| | | | |
|--------------|----------------------------------|----------------------|--|
| | Building Decoration | 3,300,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| | Working Capital | 7,026,900 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 30-Jun-16 | Building Decoration | 112,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| | Advance against Land Acquisition | 98,500,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| | Plant & Equipment | 51,034,067 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| | Loan Repayment | 10,000,000 | In the statement of Cash Flows, the figure is included in total amount of Repayment of Long Term Loan under the head of Financing Activities. |
| | Capital Work - In-Progress | 55,165,933 | In the statement of Cash Flows, the figure is included in total amount of Capital Work in Progress under the head of Investing Activities. |
| | Working Capital | 102,637,989 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| 30-Jun-17 | Advance against Land Acquisition | 29,200,000 | In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities. |
| | Loan Repayment | 130,000,000 | In the statement of Cash Flows, the figure is included in total amount of Repayment of Long Term & Short Term Loan under the head of Financing Activities. |
| | Capital Work - In-Progress | 53,240,759 | In the statement of Cash Flows, the figure is included in total amount of Capital Work in Progress under the head of Investing Activities. |
| | Working Capital | 16,500,000 | In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of Operating Activities. |
| | Fixed Deposit with Bank | 120,000,000 | In the statement of Cash Flows, the figure is included in total amount of Investment in FDR under the head of Investing Activities. |
| Total | | 1,000,000,000 | |

Mentionable here that, we have received share money deposit in the year 2004-2005, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2014-2015, 2015-2016 and 2016-2017.

- (c) **If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;**

The Company has no objects to investment in such type of ventures by using Use of IPO

proceeds.

- (d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

IPO proceeds are sufficient to complete two storied (approx. 10,000 sft. each) with foundation of 5 Storied in the existing premises.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

The stages of implementation schedule and utilization of funds received through public offer are given below:

| Sl. No. | Projects | Progress made so Far | Approximate date of Completion of the projects | Projected date of full commercial operation |
|---------|---|--|--|---|
| 1 | Land Acquisition | No land is required to be acquired | - | - |
| 2 | Partial repayment of Loan | - | Within 3 months after receiving IPO fund | - |
| 3 | Acquisition of Brand New Machinery and Equipments | Acquisition and Installation of Machineries and Equipments will be started after receiving of IPO fund | Within 18 months after receiving IPO fund | Within 3 month of the completion of the project |
| 4 | Civil Construction | Construction & other civil works will be started after receiving of IPO fund | | |

Sd/-
Dr. Saira Khan
 Managing Director

Sd/-
Md. Abul Kasem
 Chief Financial Officer

Sd/-
Mrs. Silvana Mirza
 Chairman,

On behalf of Board

- (f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no such contract yet to be engaged by the Company.

- (g) **If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item-wise break-up of last three years working capital and next two years projection;**

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) **Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project-wise, as the case may be;**

The Company has planned to expand its existing projects by Acquisition of Machineries and Equipments and Civil Construction, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

The Company has planned to implement to the existing projects by using IPO proceeds after receiving the funds, which have been mentioned in Use of IPO proceeds and projects Implementation schedule.

- (j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- (k) **Summary of the project appraisal or feasibility report by the relevant professionals not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report:**

Feasibility Report of Silva Pharmaceuticals Limited

Executive Summary

With a history since 1950s, Silva Pharmaceuticals Limited (SPL) is committed to provide high quality health care services in Bangladesh. The Company has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local. SPL has earned a reputation as a successful medicine manufacturer over the last few years.

Currently, SPL has decided to go for Initial Public Offerings and this feasibility study is prepared for the utilization plan of the IPO proceedings. Some projections regarding profitability and other financial issues are analyzed. SPL has made projections of Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows for the upcoming three reporting years. This Feasibility Report discusses and shows the various aspects of Expansion Program of Silva Pharmaceuticals Limited (SPL).

Introduction

SPL was incorporated as a Private Limited Company on April 24, 2001 and subsequently converted into a Public Limited Company on April 22, 2014 under Companies Act 1994 with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994. The Certificate of Incorporation number is CH-42959(2318)/2001.

Location of the project

SPL's factory is situated at Silva Pharmaceuticals Limited, Joykrishnapur, Main Road, Maijdee Court, Noakhali & Binodpur (former Gopai Ram Sankarpur), Maijdee Court, Noakhali and registered & corporate office is situated at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh.

Plant, machinery, technology, process

Silva Pharmaceuticals Limited has been using sophisticated machineries and modern technology in order to produce high quality of medicine. Market has been growing up and the company has good opportunity to maximize market share.

Principal products of the Company

Products of SPL: The Company has following products:

1. Tablet;
2. Capsule;
3. Liquid &
4. Dry Syrup

Utilities Considerations

Power:

For electricity consumption, SPL depends on Bangladesh Power Development Board (BPDB) line. It is well connected with highway road; 500 KVA power supply from Bangladesh Power Development Board (BPDB) has been provided to the company. Stand- by Power Generating set of 600 KVA and 380 KVA capacities Diesel Generator are also available at the project.

Gas:

SPL needs gas for liquid syrup processing. SPL has the permission of Bakhrabad Gas Systems Ltd. to meet its requirements.

Water:

At different stages throughout the production process in SPL there requires water which is supplied by Noakhali Pouroshava.

Product Marketplace

All of the products' markets are throughout the Bangladesh.

Methodology

We have considered the historical data of last couple of year's revenue and expenses of the company. We have also talked with the staffs. The interviews provided us with the relevant information concerning all aspects sales and expenses. The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of our ability. A lot of time was spent working on the interviews; also that each had a different idea that is important to the effects of the implementation of sales growth and enough background information was included.

Once we have compiled and analyzed all data and research we as a group, look at all the different options of implementing the living wall and then decide on the best option of the sales, current and future market and saleable capacity in near future.

Financial Projections

The financial projections for Silva Pharmaceuticals Limited (SPL) are highlighted in the table below. These figures account for projected productions, sales and additional requirements. There are many ways to present these projections.

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

| The projected financial statement has been prepared on underlying assumption | | | | |
|---|---|--------------------------|-------------------|-------------------|
| Assumption indicator | Assumption's Basis | Assumptions Years | | |
| | | 30-June-18 | 30-June-19 | 30-June-20 |
| Capacity Increase | Capacity will be increased as new machineries will be introduced. | 8% | 15% | 10% |
| Capacity Utilization | Capacity utilization will be increased for new machinery installation and efficient use of machinery. | 70%-72% | 73%-75% | 75%-77% |
| Sales Revenue Increase | Sales will be increased for qualitative products by the increase of sales volume and unit price. | 23.40% | 26.00% | 12.00% |
| Operating Expenses Increase/ (Decrease) | Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2019. Expenses will be reduced in the year 2020 because of no IPO Expense in the year. | 3.79% | 26.53% | -2.15% |
| Property, Plant and Equipment Addition | Property, Plant and Equipment will be increased in every year for the purpose of production increase | 322,665,648 | 233,953,602 | 170,169,662 |
| Paid up Capital Increase | Paid up Capital will be increased by Tk. 300,000,000 through IPO in FY 2018-2019. | - | 300,000,000 | - |
| Dividend | Dividend is not considered here as the decision is not predetermined. | - | - | - |

Statement of Financial Position (Projected)

| Particulars | Amount in Taka | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Audited | Projected | | |
| | 30-06-2017 | 30-06-2018 | 30-06-2019 | 30-06-2020 |
| ASSETS | | | | |
| Non-Current Assets | 843,729,229 | 973,412,647 | 1,230,249,168 | 1,260,858,896 |
| Property, Plant & Equipment | 706,738,552 | 973,412,647 | 1,143,701,313 | 1,238,327,991 |
| Capital work-in-Progress | 136,990,677 | - | 86,547,855 | 22,530,905 |
| Current Assets | 1,097,434,352 | 1,109,133,313 | 1,203,313,057 | 1,415,175,038 |
| Inventories | 369,548,334 | 419,773,924 | 518,906,518 | 617,129,899 |
| Trade and Other Receivables | 253,498,965 | 312,953,830 | 402,867,547 | 466,604,871 |
| Advances, Deposits and Prepayments | 270,877,947 | 158,699,905 | 157,805,897 | 210,100,666 |
| Investment in FDR | 120,000,000 | 120,000,000 | - | - |
| Cash and Cash Equivalents | 83,509,106 | 97,705,654 | 123,733,095 | 121,339,602 |
| Total Assets | 1,941,163,581 | 2,082,545,960 | 2,433,562,224 | 2,676,033,934 |
| SHAREHOLDERS EQUITY AND LIABILITIES: | | | | |
| Equity attributable to the Shareholders | 1,647,797,063 | 1,764,875,516 | 2,267,251,678 | 2,479,283,097 |
| Share Capital | 1,000,000,000 | 1,000,000,000 | 1,300,000,000 | 1,300,000,000 |
| Retained Earnings | 647,797,063 | 764,875,516 | 967,251,678 | 1,179,283,097 |
| Non-Current Liabilities | 86,031,226 | 97,442,586 | 81,480,939 | 92,809,887 |
| Deferred Tax Liabilities | 86,031,226 | 97,442,586 | 81,480,939 | 92,809,887 |
| Current Liabilities | 207,335,292 | 220,227,857 | 84,829,608 | 103,940,950 |
| Trade and Other Payables | 4,311,781 | 7,801,026 | 10,845,566 | 13,222,542 |
| Current Portion of Long Term Loan | 99,000,000 | 99,000,000 | - | - |
| Provision for Expenses | 104,023,511 | 113,426,831 | 73,984,042 | 90,718,408 |
| Total Liabilities | 293,366,518 | 317,670,443 | 166,310,546 | 196,750,837 |
| Total Equity & Liabilities: | 1,941,163,581 | 2,082,545,959 | 2,433,562,224 | 2,676,033,934 |
| Net Assets Value (NAV) per share | 16.48 | 17.65 | 17.44 | 19.07 |

Statement of Comprehensive Income (Projected)

| Particulars | Amount in Taka | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Audited | Projected | | |
| | 01/07/2016 to 30/06/2017 | 01/07/2017 to 30/06/2018 | 01/07/2018 to 30/06/2019 | 01/07/2019 to 30/06/2020 |
| Turnover | 602,491,592 | 743,474,625 | 936,778,027 | 1,049,191,390 |
| Cost of goods sold | (365,775,793) | (444,766,447) | (552,975,449) | (616,883,382) |
| Gross Profit | 236,715,799 | 298,708,178 | 383,802,578 | 432,308,008 |
| Operating expenses | (112,074,765) | (116,321,759) | (147,182,648) | (144,019,344) |
| Operating Income | 124,641,034 | 182,386,419 | 236,619,929 | 288,288,664 |
| Financial expenses | (354,646) | (391,437) | (550,037) | (630,579) |
| Net Operating Profit | 124,286,388 | 181,994,982 | 236,069,892 | 287,658,085 |
| Non-operating income | 5,665,239 | 7,131,750 | 8,279,699 | 9,185,902 |
| Net Profit before Contribution to WPPF | 129,951,627 | 189,126,732 | 244,349,591 | 296,843,987 |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | (6,188,173) | (9,006,035) | (11,635,695) | (14,135,428) |
| Net Profit before Income Tax | 123,763,454 | 180,120,697 | 232,713,897 | 282,708,559 |
| Income Tax Expenses: | (43,484,895) | (63,042,244) | (58,178,474) | (70,677,140) |
| Current Tax Expenses | (35,724,236) | (51,630,883) | (46,299,383) | (59,348,191) |
| Deferred Tax expenses | (7,760,659) | (11,411,360) | (11,879,091) | (11,328,948) |
| Net Profit after tax | 80,278,559 | 117,078,453 | 174,535,422 | 212,031,419 |
| Re-stated Earnings Per Share (EPS) | 1.03 | 1.17 | 1.37 | 1.63 |

- Dividend is not considered

Statement of Cash Flows (Projected)

| Particulars | Amount in Taka | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30-06-2017 | 30-06-2018 | 30-06-2019 | 30-06-2020 |
| | Audited | Projected | | |
| Cash flows from Operating Activities: | | | | |
| Cash received from customers | 636,872,196 | 679,825,856 | 846,864,311 | 985,454,066 |
| Cash received from non-operating income | 1,471,336 | 11,325,653 | 8,279,699 | 9,185,902 |
| Cash payment to during the year | (557,965,420) | (618,588,553) | (829,065,076) | (890,250,169) |
| Cash payment to suppliers, employees and others | (517,825,292) | (568,335,213) | (784,657,429) | (836,991,590) |
| Income Tax Paid | (40,140,128) | (50,253,340) | (44,407,646) | (53,258,579) |
| Net cash inflow/(outflow) from operating activities (A) | 80,378,112 | 72,562,957 | 26,078,934 | 104,389,799 |
| Cash flows from Investing Activities: | (239,951,395) | (57,974,971) | (200,501,457) | (106,152,712) |
| Acquisition of Property, Plant & Equipment | - | (175,003,111) | (43,948,551) | (42,669,662) |
| Cash Payments for Capital Work-in-progress | (90,751,395) | (10,671,860) | (276,552,906) | (63,483,050) |
| Cash Payments for FDR | (120,000,000) | - | 120,000,000 | - |
| Cash Payments for Advance against acquisition of land | (29,200,000) | 127,700,000 | - | - |
| Net cash inflow/(outflow) from investing activities (B) | (239,951,395) | (57,974,971) | (200,501,457) | (106,152,712) |
| Cash flows from Financing Activities: | 198,140,000 | (391,437) | 200,449,963 | (630,579) |
| Long Term Loan received/(Repaid) | (15,416,826) | - | (99,000,000) | - |
| Short Term Loan received/(Repaid) | (114,583,174) | - | - | - |
| Cash payment for Financial Expenses | | (391,437) | (550,037) | (630,579) |
| Dividend Paid | (17,860,000) | - | - | - |
| Cash Received from Share Money Received | 346000000 | - | - | - |
| Issuance of ordinary shares | - | - | 300,000,000 | - |
| Net cash inflow/(outflow) from financing activities (C) | 198,140,000 | (391,437) | 200,449,963 | (630,579) |
| Net increase/(decrease) of Cash and Cash Equivalents (A+B+C) | 38,566,717 | 14,196,548 | 26,027,441 | (2,393,493) |
| Cash and Cash Equivalents at the beginning of the period | 44,942,389 | 83,509,106 | 97,705,654 | 123,733,095 |
| Cash and Cash Equivalents at the end of the period | 83,509,106 | 97,705,654 | 123,733,095 | 121,339,602 |

Cost of the Project

The cost of the expansion project is as follows:

| SL | Particulars | Amount in Taka |
|--------------|--|-----------------------|
| 1 | Construction & Civil Works of Factory Building | 56,000,000.00 |
| 2 | Acquisition of Brand New Capital Machinery & Equipment | 122,500,000.00 |
| 3 | Partial Repayment of Term Loan | 99,000,000.00 |
| 4 | IPO Expenses | 22,500,000.00 |
| Total | | 300,000,000.00 |

Means of Finance

The project will be financed through using IPO proceeds.

Weaknesses

1. **Low Financial Position:** Company needs more finance to be competitive over its rivals.
2. **Innovation:** Innovative effectiveness is low due to the lack of the sophisticated equipment, lack of the capital, lack of the skilled manpower, and the lack of the professionals in our country.

Threat

1. **Intense Competition:** There is high rivalry among the competitors to get the market share as maximum as possible.
2. **Shortage of Power:** lack of opportunity to supply emergency power.

Conclusion

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Silva Pharmaceuticals Limited (SPL).

Sd/-
Shaiful Alam FCA
Partner
S.R. Islam & Co.
Chartered Accountants

Date: December 04, 2017

CHAPTER (XXIII)

LOCK-IN

(a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(three) years.
- (2) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years.
- (3) Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months.
- (4) All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year.
- (5) All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in sub-rules (1), (2) and (3) above, for 01 (one) year.

(b) The following table indicates the Lock-In status of the shareholders of Silva Pharmaceuticals Limited:

| Sl. | Name of Shareholder | Position | No. of Share | (%) | BO ID | Date of 1 st acquisition | Lock-in period* |
|-----|---------------------------------------|-------------|--------------|-------|------------------|-------------------------------------|-----------------|
| 1 | Md. Anwar Mirza | Shareholder | 4,850,000 | 4.85% | 1205690064043212 | 24-Apr-01 | 3 Yrs. |
| 2 | Mrs. Sajeda Mirza | Shareholder | 4,950,000 | 4.95% | 1205690063397018 | 24-Apr-01 | 3 Yrs. |
| 3 | Dr. Shibli Mirza | Shareholder | 4,000,000 | 4.00% | 1205690064043263 | 24-Apr-01 | 3 Yrs. |
| 4 | Mr. A. R. Hassan Mirza | Shareholder | 4,950,000 | 4.95% | 1205690063397050 | 24-Apr-01 | 3 Yrs. |
| 5 | Mrs. Silvana Mirza | Chairman | 2,910,000 | 2.91% | 1205690064043271 | 24-Apr-01 | 3 Yrs. |
| 6 | Mrs. Samina Mirza | Director | 2,910,000 | 2.91% | 1205690064043298 | 24-Apr-01 | 3 Yrs. |
| 7 | Mrs. Farhana Mirza | Director | 2,910,000 | 2.91% | 1205690064043300 | 24-Apr-01 | 3 Yrs. |
| 8 | Al-Amin Agro Fisheries Complex Ltd. | Shareholder | 4,950,000 | 4.95% | 1205690063397125 | 20-Jun-02 | 1 Yr. |
| 9 | S. R. Fisheries & Dairy Farm Ltd. | Shareholder | 1,040,000 | 1.04% | 1205690063397026 | 20-Jun-02 | 1 Yr. |
| 10 | Adarsha Fisheries & Poultry Farm Ltd. | Director | 5,090,000 | 5.09% | 1205690064043255 | 20-Jun-02 | 3 Yrs. |
| 11 | AGIL Foods Ltd. | Shareholder | 200,000 | 0.20% | 1205690064043247 | 20-Aug-04 | 3 Yrs. |
| 12 | AGIL Pack Ltd. | Shareholder | 70,00 | 0.07% | 1205690064043230 | 20-Aug-04 | 3 Yrs. |
| 13 | AGI Flour Mills Ltd. | Shareholder | 270,000 | 0.27% | 1205690064043354 | 20-Aug-04 | 3 Yrs. |
| 14 | AGI Printing & Packaging Ltd. | Shareholder | 1,170,000 | 1.17% | 1205690063397449 | 20-Aug-04 | 3 Yrs. |

| | | | | | | | |
|----|--|---------------|------------|--------|------------------|-----------|--------|
| 15 | Al Amin Logistics Ltd. | Shareholder | 70,000 | 0.07% | 1205690063397450 | 20-Aug-04 | 3 Yrs. |
| 16 | SR Trading | Shareholder | 1,720,000 | 1.72% | 1205690063398668 | 20-Aug-04 | 3 Yrs. |
| 17 | SR Enterprise | Shareholder | 1,160,000 | 1.16% | 1205690063398651 | 20-Aug-04 | 3 Yrs. |
| 18 | Mars Packaging Industries | Shareholder | 870,000 | 0.87% | 1205690064043338 | 20-Aug-04 | 3 Yrs. |
| 19 | Mr. Mahmud Rahman | Shareholder | 1,020,000 | 1.02% | 1205690063398708 | 20-Aug-04 | 3 Yrs. |
| 20 | Mr. Monsur Rahman | Shareholder | 1,020,000 | 1.02% | 1205690063398716 | 20-Aug-04 | 3 Yrs. |
| 21 | Mr. Mohammad Enayet Ullah | Shareholder | 1,015,000 | 1.02% | 1205690064043311 | 20-Aug-04 | 3 Yrs. |
| 22 | Dr. Saira Khan | MD & Director | 6,970,000 | 6.97% | 1205690063397069 | 20-Aug-04 | 3 Yrs. |
| 23 | Mr. Iqbal Hossain | Shareholder | 110,000 | 0.11% | 1205690063397085 | 20-Aug-04 | 3 Yrs. |
| 24 | Mr. Hossain Shaid Surwardhy | Shareholder | 10,000 | 0.01% | 1205690064043346 | 20-Aug-04 | 3 Yrs. |
| 25 | Ms. Umme Sara | Shareholder | 5,000 | 0.01% | 1205690064043220 | 20-Aug-04 | 3 Yrs. |
| 26 | Mr. Mahamudul Hasan bin Sorwar | Shareholder | 155,000 | 0.16% | 1205690064043321 | 20-Aug-04 | 3 Yrs. |
| 27 | Mr. Mozammel Hossain | Shareholder | 55,000 | 0.06% | 1205690063397093 | 20-Aug-04 | 3 Yrs. |
| 28 | Md. Ziaul Hoque | Shareholder | 55,000 | 0.06% | 1205690063398676 | 20-Aug-04 | 3 Yrs. |
| 29 | Md. Nazmul Hoque | Shareholder | 55,000 | 0.06% | 1205690063398724 | 20-Aug-04 | 3 Yrs. |
| 30 | Ms. Sayma Rahman | Shareholder | 5,000 | 0.01% | 1205690063397077 | 20-Aug-04 | 3 Yrs. |
| 31 | Md. Nazmul Hoque | Shareholder | 5,000 | 0.01% | 1205690064874475 | 20-Aug-04 | 3 Yrs. |
| 32 | Md. Kamrul Islam | Shareholder | 10,000 | 0.01% | 1205690063398680 | 20-Aug-04 | 3 Yrs. |
| 33 | BLI Capital Limited | Shareholder | 5,000,000 | 5.00% | 1605650050408170 | 30-Sep-15 | 1 Yr. |
| 34 | Md. Abdul Hakim | Shareholder | 100,000 | 0.10% | 1202550046717936 | 30-Sep-15 | 1 Yr. |
| 35 | Sanjeeb Kumar Tarafder | Shareholder | 100,000 | 0.10% | 1204050020362694 | 30-Sep-15 | 1 Yr. |
| 36 | Syed Rezaul Karim | Shareholder | 100,000 | 0.10% | 1204090059738147 | 30-Sep-15 | 1 Yr. |
| 37 | Investment Corporation of Bangladesh (ICB) | Director | 30,000,000 | 30.00% | 1201530000003500 | 20-Feb-17 | 3 Yrs. |
| 38 | Mrs. Shamima Nasrin | Shareholder | 100,000 | 0.10% | 1204560043510669 | 20-Feb-17 | 1 Yr. |
| 39 | Mr. M. Mominul Islam Sangram | Shareholder | 100,000 | 0.10% | 1205700057573648 | 20-Feb-17 | 1 Yr. |
| 40 | Mrs. Kaniz Shabnam Mustari | Shareholder | 100,000 | 0.10% | 1201820048574030 | 20-Feb-17 | 1 Yr. |
| 41 | Sayed Mohammad Haseeb | Shareholder | 100,000 | 0.10% | 1202060061157911 | 20-Feb-17 | 1 Yr. |
| 42 | Mr. Khurshid Ahmmed Siddique | Shareholder | 480,000 | 0.88% | 1202550064842169 | 20-Aug-04 | 1 Yr. |
| 43 | Mr. Alauddine Bhuiya | Shareholder | 360,000 | 0.36% | 1205690063397109 | 20-Feb-17 | 1 Yr. |
| 44 | Md. Borhan Uddin | Shareholder | 50,000 | 0.05% | 1205000045087327 | 20-Feb-17 | 1 Yr. |

| | | | | | | | |
|----|----------------------------|-------------|-----------|-------|------------------|-----------|--------|
| 45 | Rawad Ashraf | Shareholder | 100,000 | 0.10% | 1204480039627291 | 20-Feb-17 | 1 Yr. |
| 46 | Md. Abdul wadud | Shareholder | 100,000 | 0.10% | 1203220005748441 | 20-Feb-17 | 1 Yr. |
| 47 | Md. Hasan Tareq | Shareholder | 50,000 | 0.05% | 1201740055138820 | 20-Feb-17 | 1 Yr. |
| 48 | Mrs. Shamima Yesmin | Shareholder | 50,000 | 0.05% | 1205690064874483 | 20-Feb-17 | 1 Yr. |
| 49 | Mr. Gopal Chandra Karmakar | Shareholder | 50,000 | 0.05% | 120182001753011 | 20-Feb-17 | 1 Yr. |
| 50 | Satyendra Nath Roy | Shareholder | 50,000 | 0.05% | 120260015277340 | 20-Feb-17 | 1 Yr. |
| 51 | Istak Ahmmed | Shareholder | 100,000 | 0.10% | 1202580051419505 | 20-Feb-17 | 1 Yr. |
| 52 | Shepaul Alam Shiplu | Shareholder | 75,000 | 0.08% | 1202830004372801 | 20-Feb-17 | 1 Yr. |
| 53 | Tajul Islam | Shareholder | 600,000 | 0.60% | 1202830048267036 | 20-Feb-17 | 1 Yr. |
| 54 | Shamima Ara | Shareholder | 150,000 | 0.15% | 1605550062567378 | 20-Feb-17 | 1 Yr. |
| 55 | Pradip Kumar Saha | Shareholder | 75,000 | 0.08% | 1204570045523789 | 20-Feb-17 | 1 Yr. |
| 56 | Md. Abul Kaiwm Sikder | Shareholder | 200,000 | 0.20% | 1202830048268991 | 20-Feb-17 | 1 Yr. |
| 57 | Md. Foysal Ahmmed | Shareholder | 250,000 | 0.25% | 1203040058175818 | 20-Feb-17 | 1 Yr. |
| 58 | Bidhan saha | Shareholder | 75,000 | 0.08% | 1201580032960891 | 20-Feb-17 | 1 Yr. |
| 59 | Mohammad Towhidul Islam | Shareholder | 125,000 | 0.13% | 1202830055707558 | 20-Feb-17 | 1 Yr. |
| 60 | Shakil Mahmud | Shareholder | 1,000,000 | 1.00% | 1605550062101886 | 20-Feb-17 | 1 Yr. |
| 61 | Md. Shariful Islam | Shareholder | 50,000 | 0.05% | 1202150062658625 | 20-Feb-17 | 1 Yr. |
| 62 | Mrs. Fatima Alam | Shareholder | 200,000 | 0.20% | 1605420047201274 | 20-Feb-17 | 1 Yr. |
| 63 | Khairul Bashar | Shareholder | 50,000 | 0.05% | 1203620056070272 | 20-Feb-17 | 1 Yr. |
| 64 | Habibur Rahman Sikder | Shareholder | 50,000 | 0.05% | 1203040045061772 | 20-Feb-17 | 1 Yr. |
| 65 | Md. Tarif Hasan Tomal | Shareholder | 100,000 | 0.10% | 1202150062921764 | 20-Feb-17 | 1 Yr. |
| 66 | Mrs. Shahnaj Pervin | Shareholder | 100,000 | 0.10% | 1203210062936100 | 20-Feb-17 | 1 Yr. |
| 67 | Bloomest Company Ltd. | Shareholder | 100,000 | 0.10% | 1203620059642970 | 20-Feb-17 | 1 Yr. |
| 68 | Montaha Akhter | Shareholder | 30,000 | 0.03% | 1202220062955119 | 20-Feb-17 | 1 Yr. |
| 69 | Nuruzzaman Chowdhury | Shareholder | 100,000 | 0.10% | 1202900000012149 | 30-Sep-15 | 1 Yr. |
| 70 | Shamsul Haque | Shareholder | 200,000 | 0.20% | 1201690000776633 | 20-Aug-04 | 3 Yrs. |
| 71 | Shaheen Siddique | Shareholder | 200,000 | 0.20% | 1201890019678489 | 20-Aug-04 | 3 Yrs. |
| 72 | Golam Faruque | Shareholder | 200,000 | 0.20% | 1204780064465360 | 20-Jun-02 | 1 Yr. |
| 73 | Tofayel Mustafa Sorwar | Shareholder | 200,000 | 0.20% | 1203680056882096 | 20-Jun-02 | 1 Yr. |
| 74 | Hamidul Hoque | Shareholder | 200,000 | 0.20% | 1204660041046318 | 20-Jun-02 | 1 Yr. |

| | | | | | | | |
|--------------|--------------------------------------|-------------|--------------------|----------------|------------------|-----------|--------|
| 75 | Md. Mizanur Rahman | Shareholder | 200,000 | 0.20% | 1204030025938856 | 20-Jun-02 | 1 Yr. |
| 76 | Md. Saroar Hossain | Shareholder | 250,000 | 0.25% | 1605550061674266 | 20-Aug-04 | 3 Yrs. |
| 77 | Md. Kabir Uddin Ahmed | Shareholder | 250,000 | 0.25% | 1204730058970110 | 20-Aug-04 | 3 Yrs. |
| 78 | Global Max Packaging Industries Ltd. | Shareholder | 850,000 | 0.85% | 1201480064833629 | 20-Jun-02 | 1 Yr. |
| 79 | Rafeza Akhter | Shareholder | 50,000 | 0.05% | 1204070002977406 | 20-Aug-04 | 3 Yrs. |
| 80 | Suzana Samrin | Shareholder | 50,000 | 0.05% | 1205150063886199 | 20-Aug-04 | 3 Yrs. |
| 81 | Mir Md. Zainul Adedin Shebly | Shareholder | 50,000 | 0.05% | 1205150055150387 | 20-Jun-02 | 1 Yr. |
| 82 | Md. Nur Islam | Shareholder | 100,000 | 0.10% | 1202150063757891 | 20-Aug-04 | 3 Yrs. |
| 83 | Md. Motiur Rahman | Shareholder | 1,000,000 | 1.00% | 1201910004133529 | 20-Jun-02 | 1 Yr. |
| 84 | Nazrul Islam Khondoker | Shareholder | 100,000 | 0.10% | 1205880002721828 | 20-Jun-02 | 1 Yr. |
| 85 | Md. Shaiful Islam | Shareholder | 100,000 | 0.10% | 1205150058524747 | 20-Jun-02 | 1 Yr. |
| 86 | Mohammad Shamsul Alam Chowdhury | Shareholder | 100,000 | 0.10% | 1201910063559885 | 20-Jun-02 | 1 Yr. |
| 87 | Pappu Saha | Shareholder | 100,000 | 0.10% | 1204480025619507 | 20-Jun-02 | 1 Yr. |
| 88 | F. A. Trading Corporation | Shareholder | 600,000 | 0.60% | 1203110063110187 | 20-Jun-02 | 1 Yr. |
| 89 | Abul Ahad Md. Helal Uddin | Shareholder | 200,000 | 0.20% | 1201830062107080 | 20-Jun-02 | 1 Yr. |
| Total | | | 100,000,000 | 100.00% | | | |

[From the issue date of Prospectus]

CHAPTER (XXIV)

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A, Dhaka-1000; and



Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

CHAPTER (XXV)

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XXVI)

FINANCIAL STATEMENTS

- (a) **The latest financial statements prepared and audited by the Commission’s panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the কোম্পানি আইন, ১৯৯৪, International financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and any other law as applicable;**

AUDITORS’ REPORT

TO THE SHAREHOLDERS OF SILVA PHARMACEUTICALS LIMITED

We have audited the accompanying financial statements of **Silva Pharmaceuticals Limited** which comprises the Statement of Financial Position as at June 30, 2017 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 financial statements give a true and fair view of the financial position of **Silva Pharmaceuticals Limited** as at June 30, 2017 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report on other legal and regulatory requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts.
- d) the expenditures incurred were for the purpose of the Company's business.

Place: Dhaka;

Dated: October 17, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

Silva Pharmaceuticals Limited
Statement of Financial Position
As at 30 June, 2017

| Particulars | Notes | Amount in Taka | |
|--|--------------|----------------------|----------------------|
| | | 30-Jun-17 | 30-Jun-16 |
| ASSETS | | | |
| Non Current Assets | | 843,729,229 | 801,968,049 |
| Property, Plant & Equipment | 4.00 | 706,738,552 | 683,068,654 |
| Capital work-in-Progress | 5.00 | 136,990,677 | 118,899,395 |
| Current Assets | | 1,097,434,352 | 836,930,943 |
| Inventories | 6.00 | 369,548,334 | 305,335,916 |
| Trade and Other Receivables | 7.00 | 253,498,965 | 283,685,666 |
| Advances, Deposits and Prepayments | 8.00 | 270,877,947 | 202,966,972 |
| Investment in FDR | 9.00 | 120,000,000 | - |
| Cash and Cash Equivalents | 10.00 | 83,509,106 | 44,942,389 |
| Total Assets | | 1,941,163,581 | 1,638,898,992 |
| SHAREHOLDERS EQUITY AND LIABILITIES: | | | |
| Equity attributable to the Shareholders | | 1,647,797,063 | 1,085,378,504 |
| Share Capital | 11.00 | 1,000,000,000 | 500,000,000 |
| Retained Earnings | 12.00 | 647,797,063 | 585,378,504 |
| Share Money Deposit | 13.00 | - | 154,000,000 |
| Non-Current Liabilities | | 86,031,226 | 175,310,350 |
| Long Term Loan | 14.00 | - | 97,039,783 |
| Deferred Tax Liabilities | 15.00 | 86,031,226 | 78,270,567 |
| Current Liabilities | | 207,335,292 | 224,210,138 |
| Trade and Other Payables | 16.00 | 4,311,781 | 9,879,394 |
| Short Term Borrowings | 17.00 | - | 114,583,174 |
| Current Portion of Long Term Loan | 14.00 | 99,000,000 | 17,377,043 |
| Provision for Expenses | 18.00 | 104,023,511 | 82,370,527 |
| Total Liabilities | | 293,366,518 | 399,520,488 |
| Total Equity & Liabilities: | | 1,941,163,581 | 1,638,898,992 |
| Net Assets Value (NAV) per share | 27.00 | 16.48 | 21.71 |

The annexed notes (1-31) form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 17, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Silva Pharmaceuticals Limited
Statement of Profit or Loss and other Comprehensive Income
For the year Ended June 30, 2017

| Particulars | Notes | <i>Amount in Taka</i> | |
|---|--------------|-----------------------------|-----------------------------|
| | | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |
| Turnover | 19.00 | 602,491,592 | 585,956,656 |
| Cost of goods sold | 20.00 | (365,775,793) | (354,717,042) |
| Gross Profit | | 236,715,799 | 231,239,614 |
| Operating expenses | 21.00 | (112,074,765) | (86,512,655) |
| Operating Income | | 124,641,034 | 144,726,959 |
| Financial expenses | 22.00 | (354,646) | (33,285,806) |
| Net Operating Profit | | 124,286,388 | 111,441,153 |
| Interest and Other income | 23.00 | 5,665,239 | 911,168 |
| Net Profit before Contribution to WPPF | | 129,951,627 | 112,352,321 |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | 24.00 | (6,188,173) | (5,350,110) |
| Net Profit before Income Tax | | 123,763,454 | 107,002,211 |
| Income Tax Expenses: | | (43,484,895) | (37,450,775) |
| Current Tax Expenses | 25.01 | (35,724,236) | (26,180,338) |
| Deferred Tax expenses | 25.02 | (7,760,659) | (11,270,437) |
| Net Profit after tax | | 80,278,559 | 69,551,436 |
| | | | |
| Earnings Per Share (EPS) | 26.00 | 1.03 | 1.13 |

The annexed notes (1-31) form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 17, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Silva Pharmaceuticals Limited
Statement of Changes in Equity
For the year Ended June 30, 2017

| Particulars | <i>Amount in Taka</i> | | |
|--------------------------------------|-----------------------|--------------------|----------------------|
| | Share Capital | Retained Earnings | Total |
| Balance as on 1st July, 2016 | 500,000,000 | 585,378,504 | 1,085,378,504 |
| Net profit after tax during the year | - | 80,278,559 | 80,278,559 |
| Issue of Share Capital | 500,000,000 | - | 500,000,000 |
| Dividend Paid | - | (17,860,000) | (17,860,000) |
| Balance as at 30 June, 2017 | 1,000,000,000 | 647,797,063 | 1,647,797,063 |

For the year ended June 30, 2016

| Particulars | <i>Amount in Taka</i> | | |
|--|-----------------------|--------------------|----------------------|
| | Share Capital | Retained Earnings | Total |
| Balance as on 1st July, 2015 | 120,000,000 | 515,827,068 | 635,827,068 |
| Issue of Share Capital | 380,000,000 | - | 380,000,000 |
| Net profit after tax during the period | - | 69,551,436 | 69,551,436 |
| Balance as at 30 June, 2016 | 500,000,000 | 585,378,504 | 1,085,378,504 |

The annexed notes (1-31) form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 17, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Silva Pharmaceuticals Limited
Statement of Cash Flows
For the year ended June 30, 2017

| Particulars | Amount in Taka | |
|---|-----------------------------|-----------------------------|
| | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |
| Cash flows from Operating Activities | | |
| Cash received from Customers | 636,872,196 | 555,260,117 |
| Cash received from non-operating income | 1,471,336 | 911,168 |
| Cash Paid to Suppliers | (375,241,109) | (335,022,531) |
| Cash Paid to Employees | (94,097,788) | (68,973,209) |
| Cash Paid for Others | (48,486,395) | (31,999,313) |
| Income Tax Paid | (40,140,128) | (29,504,622) |
| Net cash inflow/(outflow) from operating activities (A) | 80,378,112 | 90,671,610 |
| Cash flows from Investing Activities | | |
| Acquisition of Property, Plant and Equipment | - | (117,560,134) |
| Cash Payments for Capital Work-in-progress | (90,751,395) | (118,899,395) |
| Cash Payments for FDR | (120,000,000) | - |
| Cash Payments for Advance against acquisition of land | (29,200,000) | (98,500,000) |
| Net cash inflow/(outflow) from investing activities (B) | (239,951,395) | (334,959,529) |
| Cash flows from Financing Activities | | |
| Long Term Loan received/(Repaid) | (15,416,826) | (15,269,373) |
| Short Term Loan received/(Repaid) | (114,583,174) | (19,088,960) |
| Cash payment for Financial Expenses | - | (32,259,949) |
| Dividend Paid | (17,860,000) | - |
| Cash Paid from Share Money Received | - | (3,015,000) |
| Cash Received from Share Money Received | 346,000,000 | 312,263,000 |
| Net cash inflow/(outflow) from financing activities (C) | 198,140,000 | 242,629,718 |
| Net increase/(decrease) of Cash and Cash Equivalents (A+B+C) | 38,566,717 | (1,658,201) |
| Cash and Cash Equivalents at the beginning of the period | 44,942,389 | 46,600,590 |
| Cash and Cash Equivalents at the end of the period | 83,509,106 | 44,942,389 |
| Net Operating Cash Flow Per Share | 1.03 | 1.48 |

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;
Dated: October 17, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Silva Pharmaceuticals Limited
Notes to the Financial Statements
For the year Ended June 30, 2017

1.00 About the Company

1.01 Formation and Legal Status:

Silva Pharmaceuticals Limited was incorporated in 24 April 2001 as a 'private' company limited by shares and registered with the Registrar of Joint Stock Companies and Firms of Bangladesh under the Companies Act, 1994 vide Registration No. CH-42959(2318)/2001. Further On 22 April, 2014, it was converted into a Public Limited Company under the Companies Act, 1994. The Company started its commercial operation on 01st July, 2003.

1.02 Address of the Registered Office and Factories:

The registered and corporate office of the company is located at Road No. 8/A (New) House # 65, Dhanmondi, Dhaka-1209, Bangladesh.

Factory of the company is situated at Main Road, Maijdee Court, Noakhali.

1.03 Nature of Business:

The Company has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local market.

2.00 Basis of Preparation and presentation of Financial Statements

2.01 Basis of Preparation and Presentation of Financial Statements:

The financial statements have been prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws & regulations in Bangladesh.

The Financial Statements are presented in accordance with the guidelines provided by BAS-1 "Presentation of Financial Statements".

2.02 Principal Accounting Policies:

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of the financial statements. The previous year's figures were presented according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. However, changes made to the presentation are explained in the note for each respective item.

2.03 Statement of Compliance:

The financial statements of the company under reporting have been prepared in accordance with the framework, applicable with The Companies Act 1994, The Securities and Exchange Rules, 1987, Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standards (BFRS) and other relevant laws and regulations applicable in Bangladesh.

2.04 Use of Estimates and Judgments:

The preparation of the financial statements requires management to make and apply consistently of judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future years affected.

2.05 Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. For these reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of existing business.

2.06 Reporting Currency

The financial statements are expressed in Bangladesh Currency (Taka/ Tk.), which is both functional and reporting currency of the Company.

2.07 Reporting Period

The financial statements of the Company consistently cover one financial year commencing from 01 July, 2016 to 30 June, 2017.

2.08 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

2.09 Authorization for issuing Financial Statements:

The Financial Statements was duly approved by the Board of Directors.

2.10 Accrual Basis:

The Financial Statements have been prepared, except Cash Flow information, using the accrual basis of accounting.

2.11 Comparative Information:

Comparative information has been disclosed is the standalone figures of the financial year 01 July, 2015 to 30 June, 2016 for all numerical information in the financial statements and also the narrative and descriptive information wherever it is relevant for understanding of the current year's financial statements.

2.12 Re-arrangement

Figures for the comparative year have been re-grouped/ re-arranged wherever consider necessary to ensure better comparability with the current year presentation as per BAS-8: "Accounting policies, Changes in Accounting estimates and Errors".

2.13 Components of Financial Statements:

According to the Bangladesh Accounting Standards (BAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June, 2017;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year from 01 July, 2016 to 30 June, 2017;
- iii) Statement of Changes in Equity for the year from 01 July, 2016 to 30 June, 2017;
- iv) Statement of Cash Flows for the year from 01 July, 2016 to 30 June, 2017; and
- v) Accounting Policies and Explanatory Notes.

2.14 Application of Standards (BAS's):

The application of the following BAS's in the Financial statements for the year under review:

| Name of the Accounting Standards | Reference No. |
|---|---------------|
| Presentation of Financial Statements | BAS-1 |
| Inventories | BAS-2 |
| Statement of Cash Flows | BAS-7 |
| Accounting Policies, Changes in Accounting Estimates and Errors | BAS-8 |
| Events after the Reporting year | BAS-10 |
| Income Taxes | BAS-12 |
| Property, Plant & Equipment | BAS-16 |
| Revenue Recognition | BAS-18 |
| Employee Benefits | BAS-19 |
| Borrowing Costs | BAS-23 |
| Related Party Disclosures | BAS-24 |
| Earnings Per Share | BAS-33 |
| Impairment of assets | BAS-36 |
| Provisions, Contingent Liabilities and Contingent Assets | BAS-37 |
| Financial Statements: Recognition & Measurement | BAS-39 |

3.00 Significant Accounting Policies

3.01 Property, Plant and Equipment (PPE):

i) Recognition and Measurement:

In compliance with the BAS 16 "Property, Plant and Equipment" items of Property, Plant & Equipment (PPE) excluding land are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable operating in the intended manner.

ii) Subsequent Costs:

The cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

iii) Depreciation

Depreciation has been charged on item of property, plant and equipment except land and land development is recognized in the statement of profit or loss and other comprehensive income using "Reducing Balance Method" over the estimated useful lives of each items.

Depreciation on addition to fixed assets charged when the assets are available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

The rate of depreciation varies from 2.5% to 20% p.a. based on useful lives and nature of the assets.

Rate of depreciation on property, plant and equipments considering their useful lives are as follows:

| Category of Fixed Assets | As at 30 June, 2017 | As at 30 June, 2016 |
|------------------------------|---------------------|---------------------|
| Plant & Machinery | 10% | 10% |
| Generator | 10% | 10% |
| Building Decoration | 10% | 10% |
| Electrical Installation | 10% | 10% |
| Gas Installation | 10% | 10% |
| Office Equipment | 10% | 10% |
| Factory Equipment | 10% | 10% |
| Furniture and Fixture | 10% | 10% |
| Vehicles | 20% | 20% |
| Power House | 10% | 10% |
| Laboratory Equipment | 10% | 10% |
| Factory Building & Warehouse | 2.50% | 2.50% |

iv) Retirement and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income.

3.02 Impairment of Assets:

The company reviews the recoverable amount of its assets at each reporting date. If there

exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with **BAS-36 “Impairment of Assets”**. All assets have been reviewed according to BAS-36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

3.03 Inventories:

Inventories are stated at the lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 “Inventories” after making due allowance for any obsolete or slow moving item. Costs including an appropriate portion of fixed and variable overhead expenses are assigned inventories by the method most appropriate to the particular class of inventory. Net Realizable Value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. Item wise valuation is as follows:

- i) Raw and packing materials at weighted average cost;
- ii) Work-in-progress at standard cost;
- iii) Finished goods at lower of cost or net realizable;
- iv) Printing & Stationary and Spare & Tools are at cost.

Standard cost comprises value of materials, standard activity cost and overheads.

3.04 Financial Instruments:

A financial instrument is any contract that give rise to financial assets and a financial liabilities or equity instrument of other entity.

i) Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flow from the asset expire or it transfer the right to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Trade Receivable:

Trade receivable are created at original invoice amount less any provisions for doubtful debts. Provisions is made where there is evidence of a risk of non payments, taking into consideration ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollected, it is written off firstly against any provision available and then to the Statement of Comprehensive Income. Subsequent recoveries of amounts previously provided for and/or written off are credited to the Statement of Comprehensive Income.

Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash in hand, cash at bank and term deposit that are readily convertible to known amount of cash and that are subject

to an insignificant risk change in value.

ii) Financial Liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities includes payable for expenses, liability for capital expenditure and other current liabilities.

3.05 Provisions:

Provisions and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standards (BAS)-37 "Provisions, Contingent liabilities and Contingent Assets" when:

- i) The company has a legal constructive obligation as a result of past events.
- ii) It is probable that an outflow of economic benefit will be required to settle the obligations.
- iii) A reliable estimate can be made of the amount of the obligations.

The Company has no contingent liabilities & assets as per BAS 37 as on 30 June, 2017.

3.06 Related Party Disclosures:

As per Bangladesh Accounting Standards BAS-24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties which have been given in Note-30.00 of these Financial Statements.

3.07 Employees' Benefit:

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. Employees of the company are entitled to get the following benefits from the company:

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

The company's employee benefits include the following:

i) Short Term Employee Benefits

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

ii) Workers Profit Participation Fund (WPPF) and Welfare Fund:

The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per provision of the Bangladesh Labour (Amendment) Act, 2013 and is payable to the workers as define in the said Law.

3.08 Revenue Recognition

- (a) Sales of Goods: In compliance with the requirements of **BAS 18 "Revenue Recognition"**, revenue is recognized for local sales of pharmaceuticals Drugs and Medicines at the time of delivery to chemists/institutions. Export of Pharmaceuticals Drugs and Medicines at the time of delivery to Custom Port. i.e., when the significant risk and rewards of ownership is transfer to the buyer and the amount of revenue can be measured reliably.
- (b) Interest Income is recognized when accrued on a time proportion basis.

3.09 Income Taxes:

Income tax expenses comprised of current and deferred tax. Income tax expenses is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with requirement of BAS-12 "Income Taxes".

i) Current Tax

Current tax is the expected tax payable on the taxable income for the year/year using tax rates enacted or substantially enacted as of reporting date and any adjustment to tax payable in respect of previous years,

ii) Deferred Tax

The company has recognized deferred tax in compliance with the provision of BAS-12: "Income Taxes". The policy of recognition of deferred tax assets/liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book Value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income or expense has been considered to determine net profit after tax.

3.10 Borrowing Costs:

In compliance with the requirements of BAS-23 "Borrowing Costs" borrowing costs of operational year on long term loan and short term loan facilities from commercial bank was charged off as revenue expenditure as they incurred.

3.11 Segmental Reporting:

As required by BFRS-8 "Operating Segments", if an entity operates and engages in different economic environments and activities then the entity has to disclose information, to enable users of its financial statements to evaluate the nature and financial effects of the business so carried out.

The company consider the operation on aggregate basis and manage the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

3.12 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with **BAS-37 "Provisions, Contingent Liabilities and Contingent Assets"** should not be recognized in the year in which the recognition criteria of provision have been made.

3.13 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with **BAS 7 " Statement of Cash Flows"** and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method" and as prescribed by the **Securities and Exchange Rules, 1987**.

3.14 Earnings Per Share (EPS):

Earnings Per Share (EPS) has been calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share", by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

i) ***Basic Earnings Per Share:***

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

ii) ***Weighted Average Number of Ordinary Shares Outstanding during the year:***

The basis of computation of number of shares is in line with the provisions of BAS-33: "Earnings per Share". Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

3.15 Events after the Reporting year:

As per Bas-10; Events after the reporting year that provide additional information about the company's position at the date of financial position are reflected in the financial statements. There was no significant events that have occurred between the balance sheet date and the reporting date which have requires either disclosure of or adjustment to these financial statements.

| | | Amount in Taka | |
|-------------|--|----------------------|----------------------|
| | | 30-Jun-17 | 30-Jun-16 |
| 4.00 | Property, Plant & Equipment | | |
| | A. At Cost | | |
| | Opening Balance | 1,098,525,407 | 973,060,116 |
| | Addition during the year | 72,660,113 | 125,465,291 |
| | Total Cost | 1,171,185,520 | 1,098,525,407 |
| | B. Accumulated Depreciation | | |
| | Opening Balance | 415,456,753 | 371,916,732 |
| | Depreciation for the year | 48,990,215 | 43,540,021 |
| | Total Depreciation | 464,446,968 | 415,456,753 |
| | Written Down Value (WDV) | 706,738,552 | 683,068,654 |

Details of Property, Plant & Equipment and Depreciation are shown in the annexed **Annexure-A**.

| | | | |
|-------------|--|--------------------|--------------------|
| 5.00 | Capital Work in Progress | | |
| | This is made up as follows: | | |
| | Opening Balance | 118,899,395 | - |
| | Add: Addition during the year | 90,751,395 | 118,899,395 |
| | Total | 209,650,790 | 118,899,395 |
| | Less: Transfer to Assets During the year | 72,660,113 | - |
| | Closing Balance: | 136,990,677 | 118,899,395 |

The item wise amount is given below:

Particulars

| | | |
|-----------------------------|--------------------|--------------------|
| Plant & Machinery | - | 18,865,933 |
| Factory Building Decoration | 36,723,285 | 7,515,285 |
| Electrical Installation | 9,462,500 | 6,300,000 |
| Office Equipment | - | 1,765,933 |
| Factory Equipment | - | 4,047,495 |
| Furniture and Fixture | - | 3,557,500 |
| Vehicle | - | 4,462,250 |
| Laboratory Equipment | - | 3,137,557 |
| Factory Building | 90,804,892 | 69,247,442 |
| Total | 136,990,677 | 118,899,395 |

Itemwise Details Calculation shown in below:

| Item Name | Opening balance | Addition during the year | Transfer to Asset | Closing Balance |
|-----------------------------|-----------------|--------------------------|-------------------|-----------------|
| Plant & Machinery | 18,865,933 | 25,752,215 | 44,618,148 | - |
| Factory Building Decoration | 7,515,285 | 29,208,000 | - | 36,723,285 |
| Electrical Installation | 6,300,000 | 3,162,500 | - | 9,462,500 |
| Office Equipment | 1,765,933 | 52,430 | 1,818,363 | - |
| Factory Equipment | 4,047,495 | 2,185,600 | 6,233,095 | - |
| Furniture and Fixture | 3,557,500 | - | 3,557,500 | - |
| Vehicle | 4,462,250 | 8,833,200 | 13,295,450 | - |
| Laboratory Equipment | 3,137,557 | - | 3,137,557 | - |

| | | | | |
|------------------|--------------------|-------------------|-------------------|--------------------|
| Factory Building | 69,247,442 | 21,557,450 | - | 90,804,892 |
| Total | 118,899,395 | 90,751,395 | 72,660,113 | 136,990,677 |

6.00 Inventories

This is made up as follows:

| | | | |
|------------------------------------|----------------|--------------------|--------------------|
| Raw Materials | Note- 20.01 | 177,740,281 | 153,184,259 |
| Packing Materials | Note- 20.02 | 50,122,152 | 37,825,468 |
| Spares & Tools | Note- 20.03 | 20,902,753 | 20,865,437 |
| Promotional Materials & Gift items | Note- 21.02.01 | 28,101,578 | 21,362,984 |
| Finished goods | Note- 20 | 88,911,132 | 68,475,632 |
| Work in Process-Closing | Note- 20 | 3,770,438 | 3,622,136 |
| Total | | 369,548,334 | 305,335,916 |

6.01 Physical verification of the inventories was carried out by the management staff. Stock has been valued on the basis of valuation as stated in note-3.03.

6.02 The Raw materials, Work-in-process and Finished goods of the above Inventories are hypothecation with NCC Bank Ltd. KowranBazar branch as primary Security against availing the Loan facility.

Details of Inventories are shown in the annexed **Annexure-B**.

7.00 Trade and Other Receivable

This is made up as follows:

Particulars

| | | |
|-------------------------|--------------------|--------------------|
| Receivables from Sales | 249,305,062 | 283,685,666 |
| Interest Receivables | 4,193,903 | - |
| Closing Balance: | 253,498,965 | 283,685,666 |

The above amounts are unsecured but good and have been subsequently realized.

No amount was due by the Directors (including Managing Director, Managing Agent, Manager and other Officers of the company) and any of them severally or jointly with any other person(s).

Details of Trade and other Receivable are shown in the annexed **Annexure-C**.

Ageing of the above receivables from Sales is given below:

| | | |
|----------------------------------|--------------------|--------------------|
| Receivables due over six months | - | 19,857,997 |
| Receivables due below six months | 249,305,062 | 263,827,669 |
| Total: | 249,305,062 | 283,685,666 |

The classification of receivables as required by the Schedule XI part I para 4 of the Companies Act, 1994 are given below:

| Sl. | Particulars | Amount in Taka | |
|---------------|--|--------------------|--------------------|
| I | Receivables considered good in respect of which the company is fully secured. | - | - |
| II | Receivables considered good in respect of which the company holds no security other than the debtor personal security. | 249,305,062 | 283,685,666 |
| III | Receivable considered doubtful or bad. | - | - |
| IV | Accounts Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated. | - | - |
| V | Receivables due by common management. | - | - |
| VI | The maximum amount of receivable due by any director or other officer of the company. | - | - |
| Total: | | 249,305,062 | 283,685,666 |

8.00 Advances, Deposits & Prepayments

This is made up as follows:

Particulars

Advances & Prepayments

| | | | |
|-------------------------------------|------------|--------------------|--------------------|
| | | 270,500,737 | 202,589,762 |
| Advance Income Tax | Note- 8.01 | 87,174,130 | 67,909,206 |
| Advance against Purchase | | 28,158,756 | 32,045,952 |
| Advance against L/C | | 9,758,224 | - |
| Advance against Travelling & Others | | 1,864,273 | - |
| Motorcycle Advances | | 9,056,250 | - |
| Employee Advance | | 1,934,500 | - |
| Advance against Office Rent | | 3,535,500 | 2,815,500 |
| Advance against Land Purchase | | 127,700,000 | 98,500,000 |
| Prepayments of VAT | | 1,319,104 | 1,319,104 |

Deposits

Security Deposit

| | | | |
|--------------------------|--|--------------------|--------------------|
| | | 377,210 | 377,210 |
| Bakhrabad Gas System Ltd | | 48,610 | 48,610 |
| Bangladesh T & T Board | | 40,600 | 40,600 |
| Power Development Board | | 288,000 | 288,000 |
| Total: | | 270,877,947 | 202,966,972 |

Advances: These advances are un-secured but good and subsequently realized and/or adjusted. The advance against land purchase represents the advance paid to Mrs. Sajeda Mirza against purchase of 3.20 acre land for construction of expansion unit.

Deposits: These balances represents security deposits made by the company for Gas connection, Telephone line connection & Electricity connection etc.

There is no claim against the company, which can be acknowledge as debt.

No amount was due by the Directors (including Managing Director) and managing agents of the company and any of them severally or jointly with any other person.

8.01 Advance Income Tax

| | | |
|-----------------------------------|--------------------|-------------------|
| Opening | 67,909,206 | 33,404,584 |
| Add: Payment made during the year | 39,972,442 | 34,504,622 |
| | 107,881,648 | 67,909,206 |
| Less: Adjustment During the year | 20,707,518 | - |
| Closing Balance: | 87,174,130 | 67,909,206 |

9.00 Investment in FDR

The above balance is made up as follows:

| Bank Name | Branch | Amount in Taka | |
|------------------|------------------|--------------------|----------|
| Jamuna Bank Ltd. | Foreign Exchange | 10,000,000 | - |
| Union Bank Ltd. | Panthapath | 110,000,000 | - |
| Total | | 120,000,000 | - |

10.00 Cash and Cash Equivalents

The above balance is made up as follows:

Particulars

| | | | |
|-------------------------|-------------|-------------------|-------------------|
| Cash in Hand at factory | | 3,962,534 | 2,526,325 |
| Cash (HO) | | 2,839,522 | 2,653,654 |
| Cash (Depot) | | 19,962,356 | 4,996,725 |
| Postal Imprest | | 13,265 | 17,786 |
| Cash at Bank | Note- 10.01 | 56,731,429 | 34,747,899 |
| Total: | | 83,509,106 | 44,942,389 |

10.01 Cash at Bank

The above balance is made up as follows:

| Bank Name | Account No. | Branch | Amount in Taka | |
|----------------------------|-----------------|------------------|-------------------|-------------------|
| NCC Bank Limited | 210003798 | Kawranbazar | 48,238,184 | 32,373,801 |
| Al-Arafah Islami Bank Ltd. | 1311020011891 | Dhanmondi | 5,253 | 97,469 |
| Al-Arafah Islami Bank Ltd. | 01311220001386 | Dhanmondi | 19,308 | 2,022,379 |
| Dutch Bangla Bank Ltd. | 171.110.380 | Satmosjid Road | 114,507 | 47,218 |
| Dutch Bangla Bank Ltd. | 1711200002165 | Satmosjid Road | 15,802 | 25,265 |
| National Bank Ltd. | 0063-33018855 | Dhanmondi | 28,087 | 181,767 |
| Jamuna Bank Ltd. | 0018-0210015437 | Foreign Exchange | 8,782 | - |
| Union Bank Ltd. | 31210000536 | Panthapath | 8,282,380 | - |
| Sonali Bank Ltd. | 2000602 | Zigatola | 19,126 | - |
| Total | | | 56,731,429 | 34,747,899 |

11.00 Share Capital:

This is made up as follows:

11.01 Authorized Share Capital:

15,00,00,000 ordinary shares of Tk 10/= each 1,500,000,000 1,500,000,000

11.02 Issued, subscribed, called-up and paid-up share capital:

5,00,00,000 ordinary shares of Taka 10/= each 500,000,000 120,000,000
 Add: Issued during the year 5,00,00,000 shares @ Tk. 10/- each 500,000,000 380,000,000
Total 10,00,00,000 ordinary shares of Taka 10/= each. 1,000,000,000 500,000,000

Paid up capital of the company has been raised to Tk. 100,00,00,000.00 divided into 10,00,00,000 ordinary shares of tk. 10.00 each through allotment of Tk. 50,00,00,000.00 divided into 5,00,00,000 no's of ordinary shares on which taka 15,00,00,000.00 as on 24.07.2016 & taka 35,00,00,000.00 as on 20.02.2017 as per BSEC consent letter no: BSEC/CI/CPLC-498/2015/105 dated 17.02.2016.

The company splited (Consolidated) its share from Tk. 100.00 to Tk. 10.00 on 22.04.2014
 The shareholding position of the company is shown in **Annexure D**.

11.03 The movement of Ordinary Shares during the year is as under:

| | No. of Share | No. of Share |
|------------------------|--------------------|-------------------|
| Opening Balance | 50,000,000 | 12,000,000 |
| Issued during the year | 50,000,000 | 38,000,000 |
| Closing Balance | <u>100,000,000</u> | <u>50,000,000</u> |

12.00 Retained Earnings

This is made up as follows:

| | | |
|-------------------------------|--------------------|--------------------|
| Opening balance | 585,378,504 | 510,653,930 |
| Add: Addition during the year | 80,278,559 | 74,724,574 |
| Total | 665,657,063 | 585,378,504 |
| Less: Dividend Paid | 17,860,000 | - |
| Closing Balance: | <u>647,797,063</u> | <u>585,378,504</u> |

5% cash dividend has been paid for general shareholders except sponsor shareholders/directors for the year ended 30 June, 2016.

13.00 Share Money Deposit

This is made up as follows:

| | | |
|---|--------------------|--------------------|
| Opening balance | 154,000,000 | 217,952,000 |
| Addition during the year | 346,000,000 | 319,063,000 |
| Total | <u>500,000,000</u> | <u>537,015,000</u> |
| Allotment made during the year (20.02.2017) | 500,000,000 | 380,000,000 |
| Refund during the year | - | 3,015,000 |
| Closing balance | <u>-</u> | <u>154,000,000</u> |

14.00 Long Term Loan net off Current Maturity

This is made up as follows:

Outstanding position of Long Term Loan from NCC Bank Limited is shown below:

| | | |
|--------------------------------------|-------------|-------------------|
| Opening Balance | 114,416,826 | 128,032,447 |
| Add: Addition during the year | - | 17,624,962 |
| Total | 114,416,826 | 145,657,409 |
| Less: Paid during the year | 15,416,826 | 31,240,583 |
| Net balance | 99,000,000 | 114,416,826 |
| Less: Transferred to Current Portion | 99,000,000 | 17,377,043 |
| Closing Balance: | - | 97,039,783 |

The Long-Term Loan Liability with NCC Bank Ltd., Kowranbazar Branch, represents the unpaid amount of Taka 9,90,00,000.00 out of the settlement amount of Taka 11,44,16,826.00 as per settlement with Bank, which is to be paid within 31 December, 2017. Hence the amount of liability held with NCC Bank is classified as Current Liabilities.

15.00 Deferred Tax Liability

The deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of BAS-12: Income Taxes. The calculation has been made as per BAS-12 (25) in below:

| | | |
|--|--------------------|--------------------|
| Written Down Value of Non-Current Assets as per accounts | 706,738,552 | 683,068,654 |
| Written Down Value of Non-Current Assets as per Tax base | 460,935,049 | 459,438,462 |
| Taxable Temporary Difference | 245,803,503 | 223,630,192 |
| Effective Tax Rate | 35% | 35% |
| Current year Deferred Tax Liabilities | 86,031,226 | 78,270,567 |

16.00 Trade and Other Payables

This is made up as follows:

Particulars

| | | |
|--------------------------------|---------|-----------|
| Global capsules Ltd. | 4,265 | 2,634 |
| Ganashasthya Antibiotic Ltd. | 19,754 | 39,568 |
| New Green Printers | 29,784 | 71,364 |
| Moitry plastic | 41,752 | 61,358 |
| Moni Printers & Packaging | 48,957 | 272,369 |
| Sun Enterprise | 33,745 | 41,528 |
| Millennium Boiler House, Dhaka | 32,642 | 64,688 |
| Harun Electronics | 4,862 | 12,587 |
| Zilfaraz Electronics | 4,631 | 3,862 |
| Hossain Hardware Store | 59,674 | 98,567 |
| Shajalal Glass House | 56,847 | 84,652 |
| Sun Shine Traders | 457,468 | 1,056,572 |
| Rasayan Ghar | 130,642 | 1,278,965 |
| Tuhin Chemicals | 184,632 | 1,321,565 |
| JMS Glass Industries | 71,546 | 68,254 |

| | | |
|-------------------------------|------------------|------------------|
| AGI Printing & Packaging Ltd. | 798,564 | 651,010 |
| R.B. Printers | 403,562 | 498,652 |
| Dhaka Foil Corporation | 367,584 | 932,456 |
| Poly web Printing & Packaging | 168,956 | 501,326 |
| Quality Can Industries | 113,452 | 128,465 |
| Reaz Enterprise | 1,278,462 | 2,688,952 |
| Total | 4,311,781 | 9,879,394 |

This represents the amount payable to suppliers of raw materials, packing materials, etc. All suppliers were paid on a regular basis.

17.00 Short Term Borrowings

This is made up as follows:

NCCBL CC A/C-0027-0181000150

| | | |
|--|-------------|--------------------|
| Opening Balance | 114,583,174 | 131,967,553 |
| Add: Addition during the year | - | 17,995,621 |
| Total | 114,583,174 | 149,963,174 |
| Less: Paid/Adjustment made during the year | 114,583,174 | 35,380,000 |
| | - | 114,583,174 |

The Short-Term Loan Liability with NCC Bank Ltd., Kowranbazar Branch, the balance of borrowing amount of Taka 11,45,83,174.00 was settled with the Bank mutually during the year.

18.00 Provision for expenses

This is made up as follows:

Particulars

| | | |
|---|--------------------|-------------------|
| Directors Remuneration | 100,000 | 175,000 |
| Field Forces Expenses | 206,426 | 242,543 |
| Utilities | 225,919 | 88,458 |
| Office Rent | 271,000 | 322,056 |
| Salary & Wages | 4,478,942 | 3,825,945 |
| Audit Fees | 115,000 | 115,000 |
| Overtime | 52,688 | 49,584 |
| Printing & Stationery | 22,842 | 38,452 |
| Worker's Profit Participation Fund (WPPF) Note- 18.01 | 11,936,217 | 5,748,044 |
| Provision for Income Tax Note- 18.02 | 86,614,477 | 71,765,445 |
| Total | 104,023,511 | 82,370,527 |
| Liabilities for Expenses Except Income Tax Liability | 17,409,034 | 10,605,082 |

18.01 Worker's Profit Participation Fund (WPPF)

This is made up as follows:

| | | |
|--|-------------------|------------------|
| Opening balance | 5,748,044 | - |
| Add: Provision made during the year | 6,188,173 | 5,748,044 |
| Total | 11,936,217 | 5,748,044 |
| Less: Paid/Adjustment made during the year | - | - |
| Closing balance | 11,936,217 | 5,748,044 |

18.02 Provision for Income Tax

This is made up as follows:

| | | |
|---|-------------------|-------------------|
| Opening balance | 71,765,445 | 43,120,755 |
| Add: Provision made during the year | 35,724,236 | 28,644,690 |
| Total | 107,489,681 | 71,765,445 |
| Less: Adjustment made during the year (For the Assessment year 2014-2015) | 20,875,204 | - |
| Closing balance | <u>86,614,477</u> | <u>71,765,445</u> |

| <i>Amount in Taka</i> | |
|-----------------------------|-----------------------------|
| 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |

19.00 Turnover

This is made up as follows:

Particulars

| | | |
|-------------------|--------------------|--------------------|
| Local Sales (Net) | 602,491,592 | 585,956,656 |
| Total: | <u>602,491,592</u> | <u>585,956,656</u> |

Details of Turnover/Sales mentioning category wise quantity and value as required under schedule-XI, part-II, para-3(a) of the Companies Act, 1994 is given below:

| Name of Item | Quantity (Pcs/PHs) | | Amount in Taka | |
|--------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |
| Tablet | 117,914,259 | 116,612,770 | 350,448,751 | 349,201,496 |
| Capsule | 31,604,719 | 30,021,983 | 189,836,346 | 180,373,250 |
| Liquid | 1,168,539 | 1,030,163 | 48,562,231 | 44,225,651 |
| Dry Syrup | 153,834 | 136,908 | 13,644,264 | 12,156,259 |
| Total | 150,841,351 | 147,801,823 | 602,491,592 | 585,956,656 |

20.00 Cost of goods sold

This is made up as follows:

| | | | |
|----------------------------------|-------------|--------------------|--------------------|
| Raw materials consumed | Note- 20.01 | 202,046,732 | 201,778,455 |
| Packing materials consumed | Note- 20.02 | 95,556,542 | 94,614,771 |
| Consumable item consumed | Note- 20.03 | 13,487,037 | 12,549,799 |
| | | <u>311,090,311</u> | <u>308,943,025</u> |
| Work in process- Opening | | 3,622,136 | 3,125,648 |
| Work in process- Closing | | 3,770,438 | 3,622,136 |
| Change in work in process | | <u>(148,302)</u> | <u>(496,488)</u> |
| Total consumption | | <u>310,942,009</u> | <u>308,446,537</u> |
| Add: Manufacturing Overhead | Note- 20.04 | 34,402,262 | 31,604,014 |
| Add: Depreciation | | 45,560,900 | 37,629,958 |
| Cost of production | | <u>390,905,171</u> | <u>377,680,509</u> |
| Finished goods - Opening | | 68,475,632 | 48,788,564 |
| Finished goods - Closing | | 88,911,132 | 68,475,632 |

| | | | |
|--------------|---------------------------------------|---------------------|---------------------|
| | Change of finished goods stock | (20,435,500) | (19,687,068) |
| | Less: Cost of Sample | 4,693,878 | 3,276,399 |
| | Cost of Goods Sold | 365,775,793 | 354,717,042 |
| 20.01 | Raw materials consumed | | |
| | This is made up as follows: | | |
| | Opening Stock | 153,184,259 | 149,625,437 |
| | Add: Purchase during the year | 226,602,754 | 205,337,277 |
| | Available for production | 379,787,013 | 354,962,714 |
| | Less: Closing Stock | 177,740,281 | 153,184,259 |
| | Consumption during the year | 202,046,732 | 201,778,455 |
| 20.02 | Packing materials consumed | | |
| | This is made up as follows: | | |
| | Opening Stock | 37,825,468 | 35,989,753 |
| | Add: Purchase during the year | 107,853,226 | 96,450,486 |
| | Available for Consumed | 145,678,694 | 132,440,239 |
| | Less: Closing Stock | 50,122,152 | 37,825,468 |
| | Consumption during the year | 95,556,542 | 94,614,771 |
| 20.03 | Consumable Spares & Tools | | |
| | This is made up as follows: | | |
| | Opening Stock | 20,865,437 | 19,685,162 |
| | Add: Purchase during the year | 13,524,353 | 13,730,074 |
| | Consumable Spares & Tools available | 34,389,790 | 33,415,236 |
| | Less: Closing Stock | 20,902,753 | 20,865,437 |
| | Consumption during the year | 13,487,037 | 12,549,799 |
| 20.04 | Manufacturing overhead | | |
| | This is made up as follows: | | |
| | Salary & Wages | 17,659,888 | 15,449,677 |
| | Workers' benefit and welfare expense | 2,189,634 | 2,059,485 |
| | Overtime | 775,321 | 767,025 |
| | Laboratory Expenses | 997,880 | 967,125 |
| | Postage & Stamp | 347,430 | 373,519 |
| | Indirect materials | 2,331,710 | 2,282,703 |
| | Electricity Bill | 1,359,067 | 1,270,369 |
| | Gas bill | 60,814 | 55,430 |
| | Factory Rent | 523,200 | 523,200 |
| | Uniform and liveries | 521,293 | 508,900 |
| | Carriage Inward | 1,476,324 | 1,493,971 |
| | Medical Expenses | 538,020 | 593,372 |
| | Power & Fuel | 1,340,451 | 1,248,589 |
| | Printing & Stationery | 571,691 | 574,348 |
| | Conveyance | 295,168 | 265,469 |
| | Repairs & Maintenance | 2,235,830 | 1,922,976 |
| | Sanitation & Cleaning | 636,761 | 680,910 |
| | Entertainment | 541,780 | 566,946 |
| | Total | 34,402,262 | 31,604,014 |

21.00 Operating Expenses

This is made up as follows:

| | | | |
|---------------------------------|-------------|--------------------|-------------------|
| Administrative Expenses | Note- 21.01 | 23,627,690 | 22,358,492 |
| Selling & Distribution Expenses | Note- 21.02 | 88,447,075 | 64,154,163 |
| Total | | 112,074,765 | 86,512,655 |

21.01 Administrative Expenses

This is made up as follows:

| | | | |
|---------------------------------------|--|-------------------|-------------------|
| Salaries and allowances | | 13,414,506 | 11,144,035 |
| Printing & Stationery | | 552,870 | 544,901 |
| Phone, Fax and Mobile Bill | | 201,818 | 197,747 |
| Postage & Stamps | | 91,388 | 95,325 |
| Tours and Travelling Expenses | | 190,868 | 182,490 |
| Utility Bill | | 1,229,045 | 1,106,033 |
| Entertainment | | 168,612 | 197,273 |
| Medical & Welfare Expenses | | 168,100 | 191,023 |
| Licenses Renewal and Registration Fee | | 127,500 | 72,200 |
| Audit Fees | | 115,000 | 115,000 |
| Office Rent | | 1,737,156 | 1,737,156 |
| Directors Remuneration | | 1,800,000 | 2,100,000 |
| Board meeting attending fees | | 474,375 | 89,700 |
| Depreciation | | 2,939,413 | 2,427,739 |
| Repairs & Maintenance | | 410,059 | 510,780 |
| RJSC Exp. | | 6,980 | 2,090 |
| Legal & Professional fees | | - | 1,645,000 |
| Total | | 23,627,690 | 22,358,492 |

21.02 Selling & Distribution Expenses

This is made up as follows:

| | | | |
|--------------------------------------|----------------|------------|------------|
| Salaries and allowances | | 52,302,764 | 32,748,178 |
| Field forces expenses | | 4,091,784 | 4,065,244 |
| Transportation & Handling Expenses | | 2,004,266 | 1,963,552 |
| Advertisement Expenses | | 140,414 | 199,290 |
| Repair & Maintenance | | 616,523 | 553,213 |
| Traveling Expenses | | 638,041 | 609,683 |
| Phone, Fax and Mobile Bill | | 89,630 | 79,110 |
| Sample Expenses | | 4,693,878 | 3,276,399 |
| Consumption of promotional materials | Note- 21.02.01 | 18,369,030 | 15,249,232 |
| Postage & Courier | | 170,322 | 167,945 |
| Entertainment | | 388,364 | 394,608 |
| Printing & Stationery | | 477,614 | 448,328 |
| Training Expenses | | 348,823 | 356,325 |
| Other financial Charge | | 48,505 | 178,687 |
| Office Rent | | 2,367,480 | 2,335,870 |
| Depreciation | | 489,902 | 404,623 |
| Vehicle Maintenance | | 624,156 | 587,337 |
| Loading & Unloading | | 498,404 | 497,264 |

| | | |
|-------------------------|-------------------|-------------------|
| License fees & Renewals | 87,175 | 39,275 |
| Total | 88,447,075 | 64,154,163 |

21.02.01 Promotional materials & Gift Items

This is made up as follows:

| | | |
|------------------------------------|-------------------|-------------------|
| Opening Stock | 21,362,984 | 27,055,879 |
| Add: Purchase during the year | 25,107,624 | 9,556,337 |
| Available | 46,470,608 | 36,612,216 |
| Less: Closing Stock | 28,101,578 | 21,362,984 |
| Consumption during the year | 18,369,030 | 15,249,232 |

22.00 Financial Expenses

This is made up as follows:

| | | |
|----------------------------|----------------|-------------------|
| Interest on Long Term Loan | - | 15,970,060 |
| Interest on CC Account | - | 16,289,889 |
| Bank Charge & Commission | 354,646 | 1,025,857 |
| Total | 354,646 | 33,285,806 |

As per settlement with NCC Bank, the bank did not charge any interest on loan, Hence interest of Bank Loan was not shown in the accounts.

23.00 Other Income

This is made up as follows:

| | | |
|-------------------------------|------------------|----------------|
| Interest on FDR | 4,193,903 | - |
| Interest on Bank STD Accounts | 806,899 | - |
| Sale of Wastage | 664,437 | 911,168 |
| Total | 5,665,239 | 911,168 |

24.00 Workers Profit Participation Fund (WPPF)

This balance consists of as follows:

| | | |
|---|--------------------|--------------------|
| Net Profit before Contribution to WPPF | 129,951,627 | 112,352,321 |
| Rate of contribution to WPPF (%) | 5.00% | 5.00% |
| Workers Profit Participation Fund (WPPF) | 6,188,173 | 5,350,110 |

Note: Allocation for workers' profit participation fund has been made @ 5% of profit after charging such expenses as per provisions of the Bangladesh Labour (Amendment) Act, 2013.

25.00 Income Tax expenses:

25.01 Current Tax Expenses

This is made up as follows:

| | | |
|------------------------------|--------------------|-------------------|
| Net Profit before Income Tax | 123,763,454 | 107,002,211 |
| Add: Accounting Depreciation | 48,990,215 | 40,462,320 |
| Less: Tax Depreciation | 71,163,526 | 72,663,568 |
| Taxable Profit | 101,590,143 | 74,800,963 |
| Tax Rate | 35.00% | 35.00% |

| | | |
|---|-------------------|-------------------|
| Current Tax Expenses during the year | 35,556,550 | 26,180,338 |
| Current Tax Expenses for the year 2013-2014 | 167,686 | - |
| Total Current Tax Expenses | 35,724,236 | 26,180,338 |

25.02 Deferred Tax Expenses/(Income)

| | | |
|--|--------------------|--------------------|
| Written Down Value of Non-Current Assets as per accounts | 706,738,552 | 683,068,654 |
| Written Down Value of Non-Current Assets as per Tax base | 460,935,049 | 459,438,462 |
| Taxable Temporary Difference | 245,803,503 | 223,630,192 |
| Effective Tax Rate | 35% | 35% |
| Deferred Tax Liabilities as at 30.06.2017 | 86,031,226 | 78,270,567 |
| Opening Deferred Tax Liabilities | 78,270,567 | 67,000,130 |
| Deferred Tax Expenses/(Income) | 7,760,659 | 11,270,437 |

26.00 Earning Per Share

This is made up as follows:

| | | |
|--|-------------|-------------|
| Net profit after Tax (Numerator) | 80,278,559 | 68,474,241 |
| Weighted Average Number of Ordinary Shares (Denominator) | 77,818,082 | 61,404,296 |
| Earning Per Share (EPS) | 1.03 | 1.12 |

26.01 Weighted average number of Ordinary Shares Outstanding

This is arrived at as follows:

| Particulars | No. of Shares | Days | Weight | Weighted Average No. of Shares | |
|---------------------------------------|--------------------|------|--------|--------------------------------|-------------------|
| Opening balance | 50,000,000 | 365 | 1.0000 | 50,000,000 | 12,000,000 |
| Share Issued from Share Money Deposit | 21,795,200 | 365 | 1.0000 | - | 21,795,200 |
| Share Issued from Cash (30.09.2015) | 16,204,800 | 275 | 0.7534 | - | 12,209,096 |
| Share Issued from Share Money Deposit | 15,000,000 | 365 | 1.0000 | 15,000,000 | 15,000,000 |
| Share Issued from Share Money Deposit | 400,000 | 365 | 1.0000 | 400,000 | 400,000 |
| Share Issued from Cash (20.02.2017) | 34,600,000 | 131 | 0.3589 | 12,418,082 | - |
| Total | 138,000,000 | | | 77,818,082 | 61,404,296 |

| | | | |
|--------------|---|-------------------------------------|-------------------------------------|
| 27.00 | Net Asset Value (NAV) Per Share | 30-Jun-17 | 30-Jun-16 |
| | Total Assets | 1,941,163,581 | 1,638,898,992 |
| | Less: Total Liabilities | 293,366,518 | 399,520,488 |
| | Net Asset Value including share money deposit | 1,647,797,063 | 1,239,378,504 |
| | Less: Share Money deposit | - | 154,000,000 |
| | Net Asset Value excluding share money deposit | 1,647,797,063 | 1,085,378,504 |
| | Total Number of Share outstanding | 100,000,000 | 50,000,000 |
| | Net Asset Value (NAV) Per Share | 16.48 | 21.71 |
| 28.00 | Net Operating Cash Flow Per Share(NOCFPS) | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |
| | Net Operating Cash Flow (Numerator) | 80,378,112 | 90,671,610 |
| | Weighted Average Number of Ordinary Shares (Denominator) | 77,818,082 | 61,404,296 |
| | Net Operating Cash Flow Per Share(NOCFPS) | 1.03 | 1.48 |

29.00 Disclosure as per requirement of Schedule XI, Part II of The Companies Act, 1994

29.01 Quantity wise schedule as required under Para 3, Schedule XI, Part 11 of The Companies Act, 1994

Quantity wise schedules of sales, raw material consumed and closing stock of finished goods relating to the financial statements for the period ended 31 March, 2017 as required under Para 3, Part 11 of the Companies Act, 1994 given below:

a. Sales:

| Particulars | 01/07/2016 to 30/06/2017 | | 01/07/2015 to 30/06/2016 | |
|--|--|--------------------|--|--------------------|
| | Quantity (Pcs/PHs) | Amount in Taka | Quantity (Pcs/PHs) | Amount in Taka |
| Domestic sales | 150,841,351 | 602,491,592 | 147,801,823 | 585,956,656 |
| Total | 150,841,351 | 602,491,592 | 147,801,823 | 585,956,656 |
| | 01/07/2016 to 30/06/2017 R M (Kg) | | 01/07/2015 to 30/06/2016 R M (Kg) | |
| Opening stock | | | 219,276 | 224,834 |
| Purchase | | | 302,854 | 276,719 |
| Raw material available for consumption | | | 522,130 | 501,553 |
| Closing stock | | | (237,528) | (219,276) |
| Raw material consumed | | | 284,602 | 282,277 |

b. Raw Materials consumed in Quantities:

c. Particulars in respect of opening stock, sales and closing stock of finished goods:

| Details | As at 30-06-2017 | | As at 30-06-2016 | |
|---------------|--------------------|---------------|--------------------|---------------|
| | Quantity (Pcs/PHs) | Value in Taka | Quantity (Pcs/PHs) | Value in Taka |
| Opening stock | 28,763,175 | 68,475,632 | 25,770,026 | 48,788,564 |
| Closing stock | 29,922,889 | 88,911,132 | 28,763,175 | 67,234,692 |
| Sales | 150,841,351 | 602,491,592 | 147,801,823 | 585,956,656 |

d. Particulars in respect of Opening Stock and Closing Stock of Inventories

| Particulars | Opening Stock | | Closing Stock | |
|------------------------------------|-----------------------|--------------------|-----------------------|--------------------|
| | Quantity (pcs/kgs) | Value (in Taka) | Quantity (pcs/kgs) | Value (in Taka) |
| Raw Materials | 219,276 | 153,184,259 | 237,528 | 177,740,281 |
| Packing Materials | - | 37,825,468 | - | 50,122,152 |
| Spares & Tools | - | 20,865,437 | - | 20,902,753 |
| Promotional Materials & Gift items | - | 21,362,984 | - | 28,101,578 |
| Work in Process | 9,953 | 3,622,136 | 10,358 | 3,770,438 |
| Finished Goods | 28,763,175 | 68,475,632 | 29,922,889 | 88,911,132 |

The quantity of packing materials, spares & tools and promotional materials & gift items are not given due to the various items include various measure like lbs, kgs, pcs, boxes, numbers etc. and huge number of items include in the above class of materials.

29.02 Employee Position of SILVA PHARMACEUTICALS LTD. as per requirement of schedule XI, part II, Para 3

| Salary Range (Monthly) | Total Employee | Officer & Staff | | Worker & Employee | |
|----------------------------------|----------------|-----------------|---------|-------------------|---------|
| | | Head Office | Factory | Field | Factory |
| For the year ended 30 June, 2017 | 1,034 | 72 | 32 | 741 | 189 |
| Below 3,000 | - | - | - | - | - |
| Above 3,000 | 1,034 | 72 | 32 | 741 | 189 |
| For the year ended 30 June, 2016 | 1,034 | 72 | 32 | 741 | 189 |

During the year 2017, all the employees were in the permanent payroll of the Company

29.03 Payment information to Directors as per requirement of schedule XI, part II, Para 4

Payment to directors within the period ending 30 June, 2017 is as follows:

Director Remuneration & Fees:

Directors are entitled to Tk. 7,500.00 only as Board Meeting attending fee for attending each Board Meeting. Managing Director's monthly remuneration is Tk 1,00,000.00 and one director's remuneration was Tk 75,000 (upto February, 2017).

This is made up as follows:

| Name of Board of Directors | Position | Meeting attending Fees | Remuneration | Total Amount in Taka |
|---|----------------------|------------------------|------------------|----------------------|
| Mrs. Silvana Mirza | Chairman | 69,000 | 600,000 | 669,000 |
| Dr. Saira Khan | Managing Director | 8,625 | 400,000 | 408,625 |
| Mrs. Farhana Mirza | Director | 51,750 | - | 51,750 |
| Mrs. Samina Mirza | Director | 69,000 | - | 69,000 |
| Mr. Nazrul Islam Khan, Nominated by ICB | Director | 25,875 | - | 25,875 |
| Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director | 8,625 | - | 8,625 |
| Md. Musfiqur Rahman, FCA | Independent Director | 8,625 | - | 8,625 |
| Tanha Zarrin Ahmed, Bar-at-law | Independent Director | - | - | - |
| Mr. Anwar Mirza | Sponsor | 60,375 | - | 60,375 |
| Mr. A. R. Hassan Mirza | Sponsor | 60,375 | 800,000 | 860,375 |
| Mrs. Sajeda Mirza | Sponsor | 60,375 | - | 60,375 |
| Dr. Shibli Mirza | Sponsor | 51,750 | - | 51,750 |
| Total | | 474,375 | 1,800,000 | 2,274,375 |

Board Meeting and Attendance

The number of Board Meeting and Attendance of Directors during the period from 01 July, 2016 to 31 March, 2017 were as follows:

| Name of Directors | Position | No. of Meetings held | No. of Meetings Attended |
|--------------------|-------------------|----------------------|--------------------------|
| Mrs. Silvana Mirza | Director | 8 | 8 |
| Dr. Saira Khan | Managing Director | 8 | 1 |
| Mrs. Farhana Mirza | Director | 8 | 6 |

| | | | |
|---|----------------------|---|---|
| Mrs. Samina Mirza | Director | 8 | 8 |
| Mr. Nazrul Islam Khan, Nominated by ICB | Director | 8 | 3 |
| Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd. | Director | 8 | 1 |
| Md. Musfiqur Rahman FCA | Independent Director | 8 | 1 |
| Tanha Zarrin Ahmed | Independent Director | 8 | 0 |
| Mr. Anwar Mirza | Sponsor | 8 | 7 |
| Mr. A. R. Hassan Mirza | Sponsor | 8 | 7 |
| Mrs. Sajeda Mirza | Sponsor | 8 | 7 |
| Mr. Shibli Mirza | Sponsor | 8 | 6 |

29.04 Quantitative information of production capacity for the period ended 30 June, 2017 as per requirement of schedule XI, part II, Para 7

| Name of Item | Production Capacity | | Actual Production | | % of Capacity Utilization | |
|--------------|--------------------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|
| | Million Pcs/Ph. | | Million Pcs/Ph | | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |
| | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 | | |
| Tablet | 198.00 | 194.61 | 119.09 | 118.97 | 60.14% | 61.13% |
| Capsule | 52.00 | 49.99 | 31.84 | 30.58 | 61.23% | 61.18% |
| Liquid | 1.80 | 1.56 | 1.26 | 1.10 | 69.83% | 70.72% |
| Dry Syrup | 0.22 | 0.16 | 0.18 | 0.13 | 81.18% | 82.68% |
| Total | 252.02 | 246.33 | 152.36 | 150.79 | 60.46% | 61.22% |

Note: Capacity is calculated considering 300 days per year; 2 shifts per day and 8 hours per shifts.

29.05 Disclosure as per requirement of schedule XI, part II, Para 3

- a) CIF value of import of raw materials, spare parts and capital goods and percentage of components in consumption as per para 3
For the year ended 30 June, 2017

| Particulars | Opening Balance | Local Purchase | Import | Total Purchase | Consumed | % of Consumption |
|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|------------------|
| Raw materials | 153,184,259 | 208,846,371 | 17,756,383 | 226,602,754 | 202,046,732 | 53.20 |
| Spare parts | 20,865,437 | 13,450,533 | 73,820 | 13,524,353 | 13,487,037 | 39.30 |
| Packing materials | 37,825,468 | 107,853,226 | - | 107,853,226 | 95,556,542 | 65.59 |
| Total | 211,875,164 | 330,150,130 | 17,830,203 | 347,980,333 | 311,090,311 | |

For the year ended 30 June, 2016

| Particulars | Opening Balance | Local Purchase | Import | Total Purchase | Consumed | % of Consumption |
|-------------------|--------------------|--------------------|----------|--------------------|--------------------|------------------|
| Raw materials | 149,625,437 | 205,337,277 | - | 205,337,277 | 201,778,455 | 56.84 |
| Spare parts | 19,685,162 | 13,730,074 | - | 13,730,074 | 12,549,799 | 37.56 |
| Packing materials | 35,989,753 | 96,450,486 | - | 96,450,486 | 94,614,771 | 71.44 |
| Total | 205,300,352 | 315,517,837 | - | 315,517,837 | 308,943,025 | |

- b) Expenditure for royalty, know-how, professional consultancy, interest in foreign currency as per (b) of para 8

The company did not spend any foreign currency on account of technical know-how, royalty, professional consultation fees, interest and other matters during the year ended 30 June, 2017 (2016 : Nil)

- c) Amount remitted in foreign currency on account of Dividends to non-resident shareholders as per (d) of para 8

No amount was remitted as dividend to the non-resident shareholders during the year under audit (2016: Nil).

- d) Earnings in foreign currency under the following heads as per (e) of para 8

| | | |
|---|-----|-----|
| Export of goods (FOB basis) | Nil | Nil |
| Royalty, know-how, professional and consultation fees | Nil | Nil |
| Interest and dividend | Nil | Nil |
| Other income | Nil | Nil |

30.00 Related Party Transactions:

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis as per BAS-24 "Related Party Disclosures". The nature of the transactions and their relative value is shown below:

i. Payable with related Party:

| Name of the Related Parties | Nature of Relationship | Nature of Transaction | Opening Payable | Value of goods / Services received during the period | Amount paid during the period | Balance Payable as at 30.06.2017 |
|---------------------------------------|------------------------|---|-----------------|--|-------------------------------|----------------------------------|
| Mr. A. R. Hassan Mirza | Sponsor Shareholder | Office Rent | 132,810 | 1,593,720 | 1,593,720 | 132,810 |
| | | Directors Remuneration | 100,000 | 800,000 | 900,000 | - |
| Dr. Saira Khan | Managing Director | Directors Remuneration | - | 400,000 | 300,000 | 100,000 |
| Mrs. Silvana Mirza | Chairman | Directors Remuneration | 75,000 | 600,000 | 675,000 | - |
| S. R. Fisheries & Dairy Farm ltd. | Common Director | No transaction with SPL except investment in Company's shares | | | | - |
| Al-Amin Agro Fisheries Complex Ltd. | Common Director | No transaction with SPL except investment in Company's shares | | | | - |
| Adarsha Fisheries & Poultry Farm Ltd. | Common Director | No transaction with SPL except investment in Company's shares | | | | - |

ii. Advances with related Party:

| Name of the Related Parties | Nature of Relationship | Nature of Transaction | Opening Balance | Amount paid during the period | Amount Received during the period | Total Balance as at 30.06.2017 |
|-----------------------------|------------------------|-------------------------------|-----------------|-------------------------------|-----------------------------------|--------------------------------|
| Mrs. Sajeda Mirza | Sponsor Shareholder | Advance against Land purchase | 98,500,000 | 29,200,000 | - | 127,700,000 |

31.00 General:

31.01 Capital Expenditure Commitment:

There was no capital expenditure contracted but not incurred or provided as on 30.06.2017.

There was no material capital expenditure authorized by the board but not contracted for as on 30.06.2017.

31.02 Claim not Acknowledged as Debts:

There is no claim against the company which have been acknowledged as debt as at 30.06.2017.

31.03 Commission, Brokerage or Discount:

No commission, brokerage or discount was incurred or paid by the company against sales during the year ended 30.06.2017.

31.04 Un-availed Credit Facilities:

There are no credit facilities available to the company under any contract (other than credit available in ordinary course of business) at the Statement of Financial Position date.

Silva Pharmaceuticals Limited
Schedule of Property, Plant & Equipment
As at 30 June, 2017

| Particulars | Cost | | | Rate (%) | Depreciation | | | Written Down Value as at 30 June, 2017 |
|-----------------------------------|-----------------------------|----------------------------|-----------------------------|----------|-----------------------------|--------------------------|-----------------------------|--|
| | Balance as on 01 July, 2016 | Addition during the period | Balance as on 30 June, 2017 | | Balance as on 01 July, 2016 | Charge during the period | Balance as on 30 June, 2017 | |
| Land & Land Development | 81,659,667 | - | 81,659,667 | 0% | - | - | - | 81,659,667 |
| Plant & Machinery | 536,697,545 | 44,618,148 | 581,315,693 | 10% | 253,070,376 | 30,000,094 | 283,070,470 | 298,245,223 |
| Generator | 12,396,170 | - | 12,396,170 | 10% | 6,974,426 | 542,174 | 7,516,600 | 4,879,570 |
| Building Decoration | 33,885,191 | - | 33,885,191 | 10% | 20,262,839 | 1,362,235 | 21,625,074 | 12,260,117 |
| Electrical Installation | 4,300,101 | - | 4,300,101 | 10% | 2,455,703 | 184,440 | 2,640,143 | 1,659,958 |
| Gas Installation | 389,890 | - | 389,890 | 10% | 231,363 | 15,853 | 247,216 | 142,674 |
| Office Equipment | 26,868,154 | 1,818,363 | 28,686,517 | 10% | 10,536,343 | 1,769,185 | 12,305,528 | 16,380,989 |
| Factory Equipment | 27,499,742 | 6,233,095 | 33,732,837 | 10% | 11,492,318 | 1,924,772 | 13,417,090 | 20,315,747 |
| Furniture and Fixture | 27,317,896 | 3,557,500 | 30,875,396 | 10% | 14,008,372 | 1,597,034 | 15,605,406 | 15,269,990 |
| Vehicle | 70,524,901 | 13,295,450 | 83,820,351 | 20% | 53,317,204 | 4,403,396 | 57,720,600 | 26,099,751 |
| Power House | 1,195,705 | - | 1,195,705 | 10% | 733,854 | 46,185 | 780,039 | 415,666 |
| Laboratory Equipment | 25,882,905 | 3,137,557 | 29,020,462 | 10% | 12,251,885 | 1,650,210 | 13,902,095 | 15,118,367 |
| Factory Building & Warehouse | 249,907,540 | - | 249,907,540 | 2.5% | 30,122,070 | 5,494,637 | 35,616,707 | 214,290,833 |
| Total | 1,098,525,407 | 72,660,113 | 1,171,185,520 | | 415,456,753 | 48,990,215 | 464,446,968 | 706,738,552 |
| 30 June, 2016 | 973,060,116 | 125,465,291 | 1,098,525,407 | | 371,916,732 | 43,540,021 | 415,456,753 | 683,068,654 |
| Depreciation Allocated to: | | 30.06.2017 | 30.06.2016 | | | | | |
| Charged during the period | | 48,990,215 | 43,540,021 | | | | | |
| Adjustment during the period | | - | - | | | | | |
| | | 48,990,215 | 43,540,021 | | | | | |
| Factory Overhead | | 45,560,900 | 40,492,220 | | | | | |
| Administrative Expenses | | 2,939,413 | 2,612,401 | | | | | |
| Selling & Distribution Expense | | 489,902 | 435,400 | | | | | |
| | | 48,990,215 | 43,540,021 | | | | | |

Silva Pharmaceuticals Limited
House # 65, Road # 8/A, Dhanmondi, Dhaka-1209
Schedule of Finished Goods & Raw Material stock as on 30-06-2017

Finished Goods

Annexure-B (1)

| Sl. No. | Particulars | As on 30.06.2017 | | As on 30.06.2016 | |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | Qty. (Box/PHs) | Amount in Taka | Qty. (Box/PHs) | Amount in Taka |
| 1 | Factory Warehouse | 64,257 | 9,170,353 | 46,799 | 6,127,885 |
| 2 | Central Warehouse | 134,562 | 18,687,034 | 91,541 | 11,994,713 |
| 3 | Noakhali DMO | 43,562 | 6,285,463 | 39,614 | 5,441,908 |
| 4 | Rajshahi DMO | 49,215 | 6,895,426 | 39,607 | 5,434,265 |
| 5 | Rangpur DMO | 39,867 | 5,875,462 | 37,265 | 5,093,623 |
| 6 | Mumensingh DMO | 40,125 | 5,678,414 | 31,126 | 4,242,079 |
| 7 | Dhaka DMO | 42,975 | 5,984,576 | 32,200 | 4,378,446 |
| 8 | Sylhet DMO | 36,819 | 5,142,879 | 34,120 | 4,601,719 |
| 9 | Comilla DMO | 36,984 | 5,326,417 | 30,278 | 4,099,829 |
| 10 | Barisal DMO | 33,426 | 4,685,231 | 28,097 | 3,867,234 |
| 11 | Jessore DMO | 37,458 | 5,176,425 | 32,363 | 4,316,283 |
| 12 | Chittagong DMO | 34,987 | 4,869,572 | 34,719 | 4,677,280 |
| 13 | Bogra DMO | 37,543 | 5,133,880 | 32,025 | 4,200,368 |
| Total | | 631,780 | 88,911,132 | 509,754 | 68,475,632 |

Raw Materials

Annexure-B (2)

| Sl. No. | Item Name | Quantity (Kg/ Pcs) | Rate | 30.06.2017 Amount | 30.06.2016 Amount |
|---------|--|--------------------|------------|-------------------|-------------------|
| 1 | Azithromycin Dehydrate USP (Comp) | 976.38 | 10,743.80 | 10,490,030 | 9,561,572 |
| 2 | Azithromycin Dehydrate USP (Mic) | 1,113.22 | 2,448.24 | 2,725,428 | 2,580,394 |
| 3 | Bambuterol Hydrochloride BP | 191.77 | 33,426.58 | 6,410,215 | 2,900,758 |
| 4 | Carbonyl Iron+Folic Acid+Zinc Sulphate Pellets | 646.35 | 1,490.53 | 963,407 | 947,806 |
| 5 | Cephradine BP (Compacted) | 2,225.85 | 4,652.83 | 10,356,491 | 9,954,984 |
| 6 | Cephradine BP (Micronized) | 1,099.94 | 4,787.62 | 5,266,092 | 3,829,807 |
| 7 | Cefixime Trihydrate USP (Comp) | 319.95 | 21,575.67 | 6,903,136 | 6,893,554 |
| 8 | Cefixime Trihydrate USP (Mic) | 424.35 | 20,134.77 | 8,544,191 | 6,530,714 |
| 9 | Chondroitin Sulphate INN | 592.05 | 6,775.27 | 4,011,302 | 3,960,791 |
| 10 | Fluvastatin Sodium INN | 25.63 | 185,351.76 | 4,750,566 | 4,009,435 |
| 11 | Flucloxacillin Sodium BP(Comp) | 787.19 | 4,848.38 | 3,816,593 | 3,671,142 |
| 12 | Gabapentin INN | 312.02 | 4,955.93 | 1,546,349 | 1,118,652 |
| 13 | D-Glucosamine Sulphate INN | 1,672.56 | 850.90 | 1,423,178 | 1,308,608 |
| 14 | Ketotifen Fumarate INN | 26.25 | 90,177.67 | 2,367,164 | 1,332,826 |
| 15 | Ketorolac Tromethamine USP | 95.86 | 23,619.25 | 2,264,141 | 1,607,526 |
| 16 | Levofloxacin Hemihydrate INN | 1,112.47 | 4,247.38 | 4,725,083 | 2,346,550 |
| 17 | Omeprazole BP (8.5% E/C Pellets) | 6,953.82 | 726.99 | 5,055,331 | 4,909,520 |
| 18 | Paracetamol BP(Compacted) | 9,752.11 | 277.75 | 2,708,674 | 2,488,055 |
| 19 | Pyridoxine Hydrochloride BP | 2,501.76 | 1,481.52 | 3,706,402 | 3,113,794 |
| 20 | Riboflavin-5 Phosphate Sodium BP | 176.66 | 11,232.28 | 1,984,294 | 861,066 |
| 21 | Timonium Methyl Sulphate INN | 696.82 | 10,444.16 | 7,277,702 | 5,397,753 |
| 22 | Thiamine Mononitrate BP | 2,051.81 | 1,399.74 | 2,871,997 | 2,311,362 |
| 23 | Vitamin E Acetate 50% | 551.42 | 2,096.42 | 1,156,013 | 1,051,192 |
| 24 | Vitamin A (As Dry Vit. A Acetate) | 296.06 | 7,017.94 | 2,077,709 | 2,034,900 |
| 25 | Caffeine BP (Anhydrous) | 4,323.58 | 891.40 | 3,854,036 | 4,298,713 |
| 26 | Ambroxol Hydrochloride BP | 323.55 | 3,899.49 | 1,261,687 | 894,094 |
| 27 | Omeprazole BP (Powder) | 315.19 | 4,253.00 | 1,340,502 | 1,233,752 |
| 28 | Nitazoxanide INN | 1,517.30 | 4,439.35 | 6,735,830 | 6,250,336 |
| 29 | Eszopiclone INN | 13.95 | 218,021.52 | 3,041,400 | 3,027,450 |
| 30 | Levosaltbutamol Sulphate INN | 71.54 | 101,834.23 | 7,285,322 | 7,091,837 |
| 31 | Vitamin E | 430.00 | 1,921.14 | 826,089 | 768,455 |
| 32 | Cod Liver Oil BP | 1,519.09 | 589.73 | 895,847 | 777,902 |
| 33 | Ciprofloxacin Hydrochloride USP Pellets (20%) | 3,985.97 | 1,813.06 | 7,226,792 | 6,913,515 |
| 34 | L-Selenomethionine USP (5000 DCP) | 232.21 | 6,966.19 | 1,617,597 | 1,394,679 |
| 35 | Meclizine Hydrochloride BP | 456.00 | 8,162.92 | 3,722,291 | 3,640,661 |
| 36 | Calcium Lactate BP | 6,248.72 | 175.70 | 1,097,887 | 940,575 |
| 37 | Magnesium Lactate Ph. Grade | 3,171.40 | 421.72 | 1,337,447 | 1,115,579 |
| 38 | Pantoprazole Sodium Sesquihydrate INN | 379.15 | 7,997.78 | 3,032,356 | 2,917,533 |
| 39 | Ascorbic Acid BP | 909.55 | 1,119.00 | 1,017,790 | 961,840 |
| 40 | Stannous Chloride Dehydrate Ph. Gr. | 175.49 | 16,500.00 | 2,895,585 | 2,407,840 |
| 41 | Vitamin B12 | 1,014.57 | 890.11 | 903,077 | 692,232 |
| 42 | Kolidon CL | 1,530.94 | 1,535.50 | 2,350,761 | 2,308,599 |
| 43 | Cipruxime Axitil BP | 256.14 | 14,116.69 | 3,615,848 | 3,573,137 |

| | | | | | | |
|--------------------|---|--|------------|-----------|--------------------|--------------------|
| 44 | Cipruxime Axitil BP - Coated | | 99.37 | 16,380.49 | 1,627,729 | 1,621,970 |
| 45 | Dexa-Ibuprofen | | 883.66 | 2,950.96 | 2,607,640 | 2,560,425 |
| 46 | Colloidal Silicon Dioxide BP (Aerosil - 200) | | 1,850.41 | 595.84 | 1,102,556 | 995,304 |
| 47 | Gum Accacia USP | | 5,362.07 | 286.32 | 1,535,251 | 1,277,566 |
| 48 | Povidone K-30 BP | | 2,487.65 | 642.99 | 1,599,542 | 1,456,154 |
| 49 | Sucrose | | 5,246.30 | 70.77 | 371,258 | 2,398,907 |
| 50 | Flavor | | 1,716.25 | 602.41 | 1,033,890 | 890,484 |
| 51 | Color | | 2,653.57 | 2,415.53 | 6,409,781 | 3,037,945 |
| 52 | Shell | | 15,062,517 | 0.16 | 2,370,169 | 1,603,307 |
| Sub Total | | | | | 176,117,449 | 151,773,550 |
| 53 | Others Active & Excepiance Raw Materials | | | | 1,622,832 | 1,410,709 |
| Grand Total | | | | | 177,740,281 | 153,184,259 |

Silva Pharmaceuticals Limited
Schedule of Accounts Receivable
As at 30 June, 2017

| Particulars | Amount in Taka | |
|-------------------|--------------------|--------------------|
| | 30-Jun-17 | 30-Jun-16 |
| Barisal Region | 18,986,472 | 15,986,472 |
| Bogra Region | 22,246,158 | 27,246,158 |
| Chittagong Region | 22,154,867 | 22,154,867 |
| Comilla Region | 22,534,685 | 26,534,685 |
| Dhaka Region | 19,789,452 | 26,789,452 |
| Faridpur Region | 11,845,675 | - |
| Jessore Region | 19,756,497 | 28,356,497 |
| Mymensingh Region | 19,165,249 | 29,165,249 |
| Noakhali Region | 27,451,862 | 27,451,862 |
| Rajshahi Region | 21,483,139 | 28,954,681 |
| Rangpur Region | 22,505,109 | 27,659,846 |
| Sylhet Region | 21,385,897 | 23,385,897 |
| Total | 249,305,062 | 283,685,666 |

Silva Pharmaceuticals Limited

House No. 65, Road No. 8/A, Dhanmondi, Dhaka-1209.

Statement of Shareholding Position as on 30.06.2017

| Sl. No. | Name of Allotment | Position | No. of shares | Amount in Taka | Percentage of Shareholding |
|---------|--|-------------------|---------------|----------------|----------------------------|
| 1 | Mrs. Silvana Mirza | Chairman | 2,910,000 | 29,100,000 | 2.91% |
| 2 | Dr. Saira Khan | Managing Director | 6,970,000 | 69,700,000 | 6.97% |
| 3 | Mrs. Samina Mirza | Director | 2,910,000 | 29,100,000 | 2.91% |
| 4 | Mrs. Farhana Mirza | Director | 2,910,000 | 29,100,000 | 2.91% |
| 5 | Adarsha Fisheries & Poultry Farm Ltd. | Director | 5,090,000 | 50,900,000 | 5.09% |
| 6 | Investment Corporation of Bangladesh (ICB) | Director | 30,000,000 | 300,000,000 | 30.00% |
| 7 | Md. Anwar Mirza | Shareholder | 4,850,000 | 48,500,000 | 4.85% |
| 8 | Mrs. Sajeda Mirza | Shareholder | 4,950,000 | 49,500,000 | 4.95% |
| 9 | Mr. Shibli Mirza | Shareholder | 4,000,000 | 40,000,000 | 4.00% |
| 10 | Mr. AR Hassan Mirza | Shareholder | 4,950,000 | 49,500,000 | 4.95% |
| 11 | Al Amin Agro Fisheries Complex Ltd. | Shareholder | 4,950,000 | 49,500,000 | 4.95% |
| 12 | S. R. Fisheries & Dairy Farm Ltd. | Shareholder | 4,940,000 | 49,400,000 | 4.94% |
| 13 | AGIL Foods Ltd. | Shareholder | 200,000 | 2,000,000 | 0.20% |
| 14 | AGIL Pack Ltd. | Shareholder | 570,000 | 5,700,000 | 0.57% |
| 15 | AGI Flour Mills Ltd. | Shareholder | 270,000 | 2,700,000 | 0.27% |
| 16 | AGI Printing & Packaging Ltd. | Shareholder | 1,170,000 | 11,700,000 | 1.17% |
| 17 | Al Amin Logistics Ltd. | Shareholder | 670,000 | 6,700,000 | 0.67% |
| 18 | SR Trading | Shareholder | 1,720,000 | 17,200,000 | 1.72% |
| 19 | SR Enterprise | Shareholder | 1,160,000 | 11,600,000 | 1.16% |
| 20 | Mars Packaging Industries | Shareholder | 870,000 | 8,700,000 | 0.87% |
| 21 | Mr. Mahmud Rahman | Shareholder | 1,020,000 | 10,200,000 | 1.02% |
| 22 | Mr. Monsur Rahman | Shareholder | 1,020,000 | 10,200,000 | 1.02% |
| 23 | Mr. Mohammad Enayet Ullah | Shareholder | 1,015,000 | 10,150,000 | 1.02% |
| 24 | Mr. Iqbal Hossain | Shareholder | 110,000 | 1,100,000 | 0.11% |
| 25 | Mr. Hossain Shaid Surwardhy | Shareholder | 10,000 | 100,000 | 0.01% |

| | | | | | |
|----|--------------------------------|-------------|-----------|------------|-------|
| 26 | Ms. Umme Sara | Shareholder | 5,000 | 50,000 | 0.01% |
| 27 | Mr. Mahamudul Hasan bin Sorwar | Shareholder | 155,000 | 1,550,000 | 0.16% |
| 28 | Mr. Mozammel Hossain | Shareholder | 55,000 | 550,000 | 0.06% |
| 29 | Md. Ziaul Hoque | Shareholder | 55,000 | 550,000 | 0.06% |
| 30 | Md. Nazmul Hoque | Shareholder | 55,000 | 550,000 | 0.06% |
| 31 | Ms. Sayma Rahman | Shareholder | 5,000 | 50,000 | 0.01% |
| 32 | Md. Nazmul Hoque | Shareholder | 5,000 | 50,000 | 0.01% |
| 33 | Md. Kamrul Islam | Shareholder | 10,000 | 100,000 | 0.01% |
| 34 | BLI Capital Limited | Shareholder | 5,000,000 | 50,000,000 | 5.00% |
| 35 | Md. Abdul hakim | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 36 | Sanjeeb Kumar Tarafder | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 37 | Syed Rezaul Karim | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 38 | Mrs. Shamima Nasrin | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 39 | Mr. M. Mominul Islam Sangram | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 40 | Mrs. Kaniz Shabnam Mustari | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 41 | Sayed Mohammad Haseeb | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 42 | Mr. Khurshid Ahmmmed Siddique | Shareholder | 380,000 | 3,800,000 | 0.38% |
| 43 | Mr. Alauddine Bhuiya | Shareholder | 360,000 | 3,600,000 | 0.36% |
| 44 | Md. Borhan Uddin | Shareholder | 50,000 | 500,000 | 0.05% |
| 45 | Rawad Ashraf | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 46 | Md. Abdul wadud | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 47 | Md. Hasan Tareq | Shareholder | 50,000 | 500,000 | 0.05% |
| 48 | Mrs. Shamima Yesmin | Shareholder | 50,000 | 500,000 | 0.05% |
| 49 | Mr. Gopal Chandra Karmakar | Shareholder | 50,000 | 500,000 | 0.05% |
| 50 | Satyendra Nath Roy | Shareholder | 50,000 | 500,000 | 0.05% |
| 51 | Istak Ahmmmed | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 52 | Shepaul Alam Shiplu | Shareholder | 75,000 | 750,000 | 0.08% |
| 53 | Tajul Islam | Shareholder | 600,000 | 6,000,000 | 0.60% |
| 54 | Shamima Ara | Shareholder | 150,000 | 1,500,000 | 0.15% |
| 55 | Pradip Kumar Saha | Shareholder | 75,000 | 750,000 | 0.08% |
| 56 | Md. Abul Kaiwm Sikder | Shareholder | 200,000 | 2,000,000 | 0.20% |
| 57 | Md. Foysal Ahmmmed | Shareholder | 250,000 | 2,500,000 | 0.25% |

| | | | | | |
|--------------|-----------------------------------|-------------|--------------------|----------------------|----------------|
| 58 | Bidhan Saha | Shareholder | 75,000 | 750,000 | 0.08% |
| 59 | Mohammad Towhidul Islam | Shareholder | 125,000 | 1,250,000 | 0.13% |
| 60 | Shakil Mahmud | Shareholder | 1,000,000 | 10,000,000 | 1.00% |
| 61 | Md. Shariful Islam | Shareholder | 50,000 | 500,000 | 0.05% |
| 62 | Mrs. Fatima Alam | Shareholder | 200,000 | 2,000,000 | 0.20% |
| 63 | Khairul Bashar | Shareholder | 50,000 | 500,000 | 0.05% |
| 64 | Habibur Rahman Sikder | Shareholder | 50,000 | 500,000 | 0.05% |
| 65 | Md. Tarif Hasan Tomal | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 66 | Mrs. Shahnaj Pervin | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 67 | Bloomest Company Ltd. | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 68 | Montaha Akhter | Shareholder | 30,000 | 300,000 | 0.03% |
| 69 | Abu Zafor Mohammad Rafique Hasnat | Shareholder | 100,000 | 1,000,000 | 0.10% |
| 70 | Nuruzzaman Chowdhury | Shareholder | 100,000 | 1,000,000 | 0.10% |
| Total | | | 100,000,000 | 1,000,000,000 | 100.00% |

(b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;

This information is not applicable for SPL.

(c) Selected ratios as specified in Annexure-D;

This is to certify that Silva Pharmaceuticals Ltd. has maintained the following ratios as computed on the basis of the audited financial statements for the year ended June 30, 2017 and for the period ended June 30, 2016 and for the year ended May 31, 2015, 2014 and 2013.

| Particulars | 30.06.2017 | 30.06.2016 | 31.05.2015 | 31.05.2014 | 31.05.2013 |
|-------------|------------|------------|------------|------------|------------|
| | Ratio | | | | |

I. Liquidity Ratios:

| | | | | | |
|-------------------|------|------|------|------|------|
| (i) Current Ratio | 5.29 | 3.73 | 3.05 | 2.11 | 2.08 |
| (ii) Quick Ratio | 2.20 | 1.47 | 1.43 | 1.08 | 1.13 |

II. Operating Efficiency Ratios:

| | | | | | |
|--|------|------|------|------|------|
| (i) Accounts Receivable Turnover Ratio | 2.24 | 2.36 | 2.09 | 2.07 | 1.66 |
| (ii) Inventory Turnover Ratio | 1.08 | 1.30 | 1.31 | 1.41 | 0.98 |
| (iii) Asset Turnover Ratio | 0.34 | 0.44 | 0.43 | 0.45 | 0.38 |

III. Profitability Ratios:

| | | | | | |
|--|--------|--------|--------|--------|--------|
| (i) Gross Margin Ratio | 39.29% | 39.64% | 37.63% | 41.21% | 47.05% |
| (ii) Operating Profit Ratio | 20.69% | 24.90% | 24.49% | 29.08% | 34.00% |
| (iii) Net Profit Ratio | 13.32% | 11.88% | 10.31% | 9.99% | 11.36% |
| (iv) Return on Assets Ratio | 4.48% | 5.20% | 4.42% | 4.54% | 4.31% |
| (v) Return on Equity Ratio | 5.87% | 8.71% | 8.47% | 8.38% | 8.02% |
| (vi) Earnings Per Share (EPS) | 1.03 | 1.24 | 1.06 | 1.00 | 0.91 |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 28.82% | 31.82% | 32.44% | 37.83% | 45.49% |

IV. Solvency Ratios:

| | | | | | |
|-----------------------------------|--------|------|------|------|------|
| (i) Debt to Total Assets Ratio | 0.05 | 0.14 | 0.21 | 0.28 | 0.32 |
| (ii) Debt to Equity Ratio | 0.06 | 0.21 | 0.41 | 0.52 | 0.58 |
| (iii) Times Interest Earned Ratio | 351.45 | 4.26 | 2.77 | 2.15 | 2.06 |
| (iv) Debt Service Coverage Ratio | 1.34 | 3.00 | 1.74 | 2.06 | 2.39 |

V. Cash Flow Ratios:

| | | | | | |
|--|------|------|------|------|------|
| (i) Net Operating Cash Flow per Share (NOCFPS) | 1.03 | 1.52 | 0.38 | 3.90 | 3.33 |
| (ii) NOCFPS to EPS Ratio | 1.00 | 1.23 | 0.36 | 3.89 | 3.65 |

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.
Chartered Accountants

Ratio Calculation details

| Particulars | Formula | 30.06.2017 | | 30.06.2016 | | 31.05.2015 | | 31.05.2014 | | 31.05.2013 | |
|--|---|------------------------------|--------|------------------------------|--------|------------------------------|--------|------------------------------|--------|------------------------------|--------|
| | | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio | Calculation | Ratio |
| I. Liquidity Ratios: | | | | | | | | | | | |
| (i) Current Ratio | Current Assets/Current Liabilities | 1,097,434,352 207,335,292 | 5.29 | 836,930,943 224,210,138 | 3.73 | 632,864,166 207,468,900 | 3.05 | 505,038,422 239,786,584 | 2.11 | 503,317,434 242,213,940 | 2.08 |
| (ii) Quick Ratio | (Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities | 457,008,071 207,335,292 | 2.20 | 328,628,055 224,210,138 | 1.47 | 296,989,973 207,468,900 | 1.43 | 260,074,380 239,786,584 | 1.08 | 272,491,795 242,213,940 | 1.13 |
| II. Operating Efficiency Ratios: | | | | | | | | | | | |
| (i) Accounts Receivable Turnover Ratio | Net Sales/Average Accounts Receivables | 602,491,592 268,592,316 | 2.24 | 628,766,245 266,460,625 | 2.36 | 503,876,753 240,730,205 | 2.09 | 493,935,421 238,109,299 | 2.07 | 395,148,338 238,709,970 | 1.66 |
| (ii) Inventory Turnover Ratio | Cost of Goods Sold /Average Inventory | 365,775,793 337,442,125 | 1.08 | 379,511,010 291,338,018 | 1.30 | 314,252,306 239,805,530 | 1.31 | 290,371,563 205,275,345 | 1.41 | 209,246,777 214,360,113 | 0.98 |
| (iii) Asset Turnover Ratio | Net Sales/Average Total Assets | 602,491,592 1,790,031,287 | 0.34 | 628,766,245 1,436,453,271 | 0.44 | 503,876,753 1,174,374,669 | 0.43 | 493,935,421 1,085,957,140 | 0.45 | 395,148,338 1,040,008,785 | 0.38 |
| III. Profitability Ratios: | | | | | | | | | | | |
| (i) Gross Margin Ratio | Gross Profit/Net Sales | 236,715,799 602,491,592 | 39.29% | 249,255,235 628,766,245 | 39.64% | 189,624,447 503,876,753 | 37.63% | 203,563,858 493,935,421 | 41.21% | 185,901,561 395,148,338 | 47.05% |
| (ii) Operating profit Ratio | Operating Profit/Net Sales | 124,641,034 602,491,592 | 20.69% | 156,548,421 628,766,245 | 24.90% | 123,396,148 503,876,753 | 24.49% | 143,630,092 493,935,421 | 29.08% | 134,330,978 395,148,338 | 34.00% |
| (iii) Net Profit Ratio | Net Profit after Tax/Net Sales | 80,278,559 602,491,592 | 13.32% | 74,724,574 628,766,245 | 11.88% | 51,958,088 503,876,753 | 10.31% | 49,321,188 493,935,421 | 9.99% | 44,871,225 395,148,338 | 11.36% |
| (iv) Return on Assets Ratio | Net Profit after Tax/Average Total Assets | 80,278,559 1,790,031,287 | 4.48% | 74,724,574 1,436,453,271 | 5.20% | 51,958,088 1,174,374,669 | 4.42% | 49,321,188 1,085,957,140 | 4.54% | 44,871,225 1,040,008,785 | 4.31% |
| (v) Return on Equity Ratio | Net Profit after Tax/Average Total Shareholders Equity | 80,278,559 1,366,587,784 | 5.87% | 74,724,574 858,016,217 | 8.71% | 51,958,088 613,223,468 | 8.47% | 49,321,188 588,698,608 | 8.38% | 44,871,225 559,168,599 | 8.02% |
| (vi) Basic Earnings Per Share (EPS) | Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding | 80,278,559 77,818,082 | 1.03 | 74,724,574 60,448,533 | 1.24 | 51,958,088 49,195,200 | 1.06 | 49,321,188 49,195,200 | 1.00 | 44,871,225 49,195,200 | 0.91 |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | EBITDA/Net Sales | 173,631,249 602,491,592 | 28.82% | 200,088,442 628,766,245 | 31.82% | 163,442,677 503,876,753 | 32.44% | 186,857,951 493,935,421 | 37.83% | 179,734,488 395,148,338 | 45.49% |
| IV. Solvency Ratios: | | | | | | | | | | | |
| (i) Debt to Total Assets Ratio | Total Debt/Total Assets | 99,000,000 1,941,163,581 | 0.05 | 229,000,000 1,638,898,992 | 0.14 | 260,000,000 1,234,007,550 | 0.21 | 310,811,378 1,114,741,787 | 0.28 | 337,410,881 1,057,172,492 | 0.32 |
| (ii) Debt to Equity Ratio | Total Debt/Total Equity | 99,000,000 1,647,797,063 | 0.06 | 229,000,000 1,085,378,504 | 0.21 | 260,000,000 630,653,930 | 0.41 | 310,811,378 595,793,005 | 0.52 | 337,410,881 581,604,211 | 0.58 |
| (iii) Times Interest Earned Ratio | EBIT/Financial Expenses | 124,641,034 354,646 | 351.45 | 156,548,421 36,750,662 | 4.26 | 123,396,148 44,536,085 | 2.77 | 143,630,092 66,741,616 | 2.15 | 134,330,978 65,099,393 | 2.06 |
| (iv) Debt Service Coverage Ratio | Net Operating Profit / Total Debt Service | 173,631,249 130,000,000 | 1.34 | 200,088,442 66,618,282 | 3.00 | 163,442,677 94,088,820 | 1.74 | 186,857,951 90,610,595 | 2.06 | 179,734,488 75,352,857 | 2.39 |
| V. Cash Flow Ratios: | | | | | | | | | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | Net Operating Cash Flow/ Number of Ordinary Shares Outstanding | 80,378,112 77,818,082 | 1.03 | 91,755,347 60,448,533 | 1.52 | 18,801,848 49,195,200 | 0.38 | 191,768,812 49,195,200 | 3.90 | 163,901,280 49,195,200 | 3.33 |
| (ii) NOCFPS to EPS Ratio | Net Operating Cash Flow per Share/EPS | 1.03 1.03 | 1.00 | 1.52 1.24 | 1.23 | 0.38 1.06 | 0.36 | 3.90 1.00 | 3.89 | 3.33 0.91 | 3.65 |

Comparison ratios with the industry average ratios of the same periods:

| Silva Pharmaceuticals Ltd. | | Industry Average * | Remark/Explanation |
|---|------------------|--------------------|--|
| Particulars | 30.06.2017 Ratio | 30.06.2017 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 5.29 | 2.86 | SPL's Current Ratio is satisfactory with the industry average current ratio. |
| (ii) Quick Ratio | 2.20 | 1.80 | SPL's Ratio is satisfactory with the industry average ratio. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 2.24 | 6.11 | SPL's Ratio is satisfactory as collection period is shorter period. |
| (ii) Inventory Turnover Ratio | 1.08 | 2.46 | SPL's Ratio is satisfactory as inventory is sold in shorter time. |
| (iii) Asset Turnover Ratio | 0.34 | 0.54 | SPL's Ratio is satisfactory with the average industry ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 39.29% | 50.36% | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) Operating Profit Ratio | 20.69% | 23.44% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iii) Net Profit Ratio | 13.32% | 15.09% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iv) Return on Assets Ratio | 4.48% | 7.93% | SPL's Ratio is satisfactory with the industry average ratio. |

| | | | |
|--|--------|---------------|---|
| (v) Return on Equity Ratio | 5.87% | 11.98% | SPL's Ratio is satisfactory with the industry average ratio. |
| (vi) Earnings Per Share (EPS) | 1.03 | 10.74 | SPL's Ratio is satisfactory with the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 28.82% | 36.76% | SPL's Ratio is satisfactory with the industry average ratio. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.05 | 0.17 | SPL's Ratio is better than industry average ratio. |
| (ii) Debt to Equity Ratio | 0.06 | 0.69 | SPL's Ratio is lower as debt burden is lowerer than equity. |
| (iii) Times Interest Earned Ratio | 351.45 | 9182.60 | Apparently, SPL's ratio is lower than industry average but SPL's Ratio is quite satisfactory as operating profit is more than sufficient to pay its interest. |
| (iv) Debt Service Coverage Ratio | 1.34 | Not Available | SPL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 1.03 | 14.23 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 1.00 | 1.43 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

*** The Industry average ratio is calculated through using the ratio of 6 listed similar companies namely Square Pharma Ltd., Beximco Pharmaceuticals Ltd., Central Pharmaceuticals Ltd., Ambee Pharmaceuticals Ltd., Renata Ltd. and Orion Pharma Ltd. for the year ended June 30, 2017.

| Silva Pharmaceuticals Ltd. | | Industry Average* | Remark/Explanation |
|---|------------------|-------------------|--|
| Particulars | 30.06.2016 Ratio | 30.06.2016 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 3.73 | 2.57 | SPL's Current Ratio is satisfactory with the industry average current ratio. |
| (ii) Quick Ratio | 1.47 | 1.65 | SPL's Ratio is satisfactory with the industry average ratio. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 2.36 | 7.97 | SPL's Ratio is satisfactory as collection period is shorter period. |
| (ii) Inventory Turnover Ratio | 1.30 | 3.59 | SPL's Ratio is satisfactory as inventory is sold in shorter time. |
| (iii) Asset Turnover Ratio | 0.44 | 0.67 | SPL's Ratio is satisfactory with the average industry ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 39.64% | 47.33% | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) Operating Profit Ratio | 24.90% | 21.16% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iii) Net Profit Ratio | 11.88% | 14.72% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iv) Return on Assets Ratio | 5.20% | 9.07% | SPL's Ratio is satisfactory with the industry average ratio. |
| (v) Return on Equity Ratio | 8.71% | 16.39% | SPL's Ratio is satisfactory with the industry average ratio. |

| | | | |
|--|--------|---------------|---|
| (vi) Earnings Per Share (EPS) | 1.24 | 7.09 | SPL's Ratio is satisfactory with the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 31.82% | 29.65% | SPL's Ratio is satisfactory with the industry average ratio. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.14 | 0.21 | SPL's Ratio is satisfactory as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.21 | 0.67 | SPL's Ratio is lower as debt burden is lowerer than equity. |
| (iii) Times Interest Earned Ratio | 4.26 | 123.54 | Apparently, SPL's ratio is lower than industry average but SPL's Ratio is quite satisfactory as operating profit is more than sufficient to pay its interest. |
| (iv) Debt Service Coverage Ratio | 3.00 | Not Available | SPL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 1.52 | 8.48 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 1.23 | 1.68 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

*** The Industry average ratio is calculated through using the ratio of 9 listed similar companies namely Square Pharma Ltd., Beximco Pharmaceuticals Ltd., Beacon Pharmaceuticals Ltd., Central Pharmaceuticals Ltd., Ambee Pharmaceuticals Ltd., Renata Ltd., Pharma Aids Ltd., Orion Pharma Ltd. and Orion Infusion Ltd. for the year ended June 30, 2016.

| Silva Pharmaceuticals Ltd. | | Industry Average* | Remark/Explanation |
|---|------------------|-------------------|--|
| Particulars | 31.05.2015 Ratio | 2015 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 3.05 | 1.96 | SPL's Current Ratio is satisfactory with the industry average current ratio. |
| (ii) Quick Ratio | 1.43 | 1.03 | SPL's Ratio is satisfactory with the industry average ratio. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 2.09 | 7.56 | SPL's Ratio is satisfactory as collection period is shorter period. |
| (ii) Inventory Turnover Ratio | 1.31 | 3.01 | SPL's Ratio is satisfactory as inventory is sold in shorter time. |
| (iii) Asset Turnover Ratio | 0.43 | 0.67 | SPL's Ratio is satisfactory with the average industry ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 37.63% | 44.88% | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) Operating Profit Ratio | 24.49% | 22.10% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iii) Net Profit Ratio | 10.31% | 13.65% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iv) Return on Assets Ratio | 4.42% | 8.02% | SPL's Ratio is satisfactory with the industry average ratio. |
| (v) Return on Equity Ratio | 8.47% | 13.18% | SPL's Ratio is satisfactory with the industry average ratio. |

| | | | |
|--|--------|---------------|--|
| (vi) Earnings Per Share (EPS) | 1.06 | 7.75 | SPL's Ratio is satisfactory with the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 32.44% | 30.40% | SPL's Ratio is satisfactory with the industry average ratio. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.21 | 1.95 | SPL's Ratio is satisfactory as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.41 | 0.81 | SPL's Ratio is lower as debt burden is lowerer than equity. |
| (iii) Times Interest Earned Ratio | 2.77 | 9.91 | SPL's Ratio is satisfactory as operating profit is sufficient to pay for financial expense. |
| (iv) Debt Service Coverage Ratio | 1.74 | Not Available | SPL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 0.38 | 7.72 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |
| (ii) NOCFPS to EPS Ratio | 0.36 | 1.42 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

*** The Industry average ratio is calculated through using the ratio of 9 listed similar companies namely Square Pharma Ltd. for the year ended March 31, 2015, Beximco Pharmaceuticals Ltd., Ambee Pharmaceuticals Ltd., Renata Ltd. and Orion Pharma Ltd. for the year ended December 31, 2015, Beacon Pharmaceuticals Ltd., Central Pharmaceuticals Ltd., Pharma Aids Ltd. and Orion Infusion Ltd. for the year ended June 30, 2015.

| Silva Pharmaceuticals Ltd. | | Industry Average* | Remark/Explanation |
|---|------------------|-------------------|--|
| Particulars | 31.05.2014 Ratio | 2014 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 2.11 | 1.80 | SPL's Current Ratio is satisfactory with the industry average current ratio. |
| (ii) Quick Ratio | 1.08 | 0.93 | SPL's Ratio is satisfactory with the industry average ratio. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 2.07 | 8.55 | SPL's Ratio is satisfactory as collection period is shorter period. |
| (ii) Inventory Turnover Ratio | 1.41 | 3.11 | SPL's Ratio is satisfactory as inventory is sold in shorter time. |
| (iii) Asset Turnover Ratio | 0.45 | 0.58 | SPL's Ratio is satisfactory with the average industry ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 41.21% | 42.18% | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) Operating Profit Ratio | 29.08% | 21.36% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iii) Net Profit Ratio | 9.99% | 13.59% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iv) Return on Assets Ratio | 4.54% | 7.12% | SPL's Ratio is satisfactory with the industry average ratio. |
| (v) Return on Equity Ratio | 8.38% | 19.22% | SPL's Ratio is satisfactory with the industry average ratio. |

| | | | |
|--|--------|---------------|--|
| (vi) Earnings Per Share (EPS) | 1.00 | 7.69 | SPL's Ratio is satisfactory with the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 37.83% | 31.53% | SPL's Ratio is satisfactory with the industry average ratio. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.28 | 0.23 | SPL's Ratio is satisfactory as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.52 | 0.87 | SPL's Ratio is lower as debt burden is lowerer than equity. |
| (iii) Times Interest Earned Ratio | 2.15 | 7.28 | SPL's Ratio is satisfactory as operating profit is sufficient to pay for financial expense. |
| (iv) Debt Service Coverage Ratio | 2.06 | Not Available | SPL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 3.90 | 9.39 | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) NOCFPS to EPS Ratio | 3.89 | 1.73 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

*** The Industry average ratio is calculated through using the ratio of 9 listed similar companies namely Square Pharma Ltd. for the year ended March 31, 2014, Beximco Pharmaceuticals Ltd., Ambee Pharmaceuticals Ltd., Renata Ltd. and Orion Pharma Ltd. for the year ended December 31, 2014, Beacon Pharmaceuticals Ltd., Central Pharmaceuticals Ltd., Pharma Aids Ltd. and Orion Infusion Ltd. for the year ended June 30, 2014.

| Silva Pharmaceuticals Ltd. | | Industry Average* | Remark/ Explanation |
|---|------------------|-------------------|--|
| Particulars | 31.05.2013 Ratio | 2013 Ratio | |
| I. Liquidity Ratios: | | | |
| (i) Current Ratio | 2.08 | 1.42 | SPL's Current Ratio is satisfactory with the industry average current ratio. |
| (ii) Quick Ratio | 1.13 | 0.71 | SPL's Ratio is satisfactory with the industry average ratio. |
| II. Operating Efficiency Ratios: | | | |
| (i) Accounts Receivable Turnover Ratio | 1.66 | 8.13 | SPL's Ratio is satisfactory as collection period is shorter period. |
| (ii) Inventory Turnover Ratio | 0.98 | 2.92 | SPL's Ratio is satisfactory as inventory is sold in shorter time. |
| (iii) Asset Turnover Ratio | 0.38 | 0.53 | SPL's Ratio is satisfactory with the average industry ratio. |
| III. Profitability Ratios: | | | |
| (i) Gross Margin Ratio | 47.05% | 45.49% | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) Operating Profit Ratio | 34.00% | 20.41% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iii) Net Profit Ratio | 11.36% | 11.15% | SPL's Ratio is satisfactory with the industry average ratio. |
| (iv) Return on Assets Ratio | 4.31% | 15.74% | SPL's Ratio is satisfactory with the industry average ratio. |
| (v) Return on Equity Ratio | 8.02% | 11.69% | SPL's Ratio is satisfactory with the industry average ratio. |

| | | | |
|--|--------|---------------|--|
| (vi) Earnings Per Share (EPS) | 0.91 | 6.80 | SPL's Ratio is satisfactory with the industry average ratio. |
| (vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin | 45.49% | 31.24% | SPL's Ratio is satisfactory with the industry average ratio. |
| IV. Solvency Ratios: | | | |
| (i) Debt to Total Assets Ratio | 0.32 | 0.21 | SPL's Ratio is satisfactory as debt burden is lower than assets. |
| (ii) Debt to Equity Ratio | 0.58 | 0.73 | SPL's Ratio is lower as debt burden is lowerer than equity. |
| (iii) Times Interest Earned Ratio | 2.06 | 4.09 | SPL's Ratio is satisfactory as operating profit is sufficient to pay for financial expense. |
| (iv) Debt Service Coverage Ratio | 2.39 | Not Available | SPL's Ratio is satisfactory as net operating profit is sufficient to pay interest and principal of long term debt. |
| V. Cash Flow Ratios: | | | |
| (i) Net Operating Cash Flow per Share (NOCFPS) | 3.33 | 9.87 | SPL's Ratio is satisfactory with the industry average ratio. |
| (ii) NOCFPS to EPS Ratio | 3.65 | 6.81 | SPL's Ratio is satisfactory as Net Operating Cash Flow is positive. |

*** The Industry average ratio is calculated through using the ratio of 9 listed similar companies namely Square Pharma Ltd. for the year ended March 31, 2013, Beximco Pharmaceuticals Ltd., Ambee Pharmaceuticals Ltd., Renata Ltd. and Orion Pharma Ltd. for the year ended December 31, 2013, Beacon Pharmaceuticals Ltd., Central Pharmaceuticals Ltd., Pharma Aids Ltd. and Orion Infusion Ltd. for the year ended June 30, 2013.

- (d) Auditors report under Section 135(1), Paragraph 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

We have examined the Financial Statements of Silva Pharmaceuticals Limited for the year ended June 30, 2017 and for the period ended June 30, 2016 and for the year ended May 31, 2015 were audited by us and for the year ended May 31, 2014 and 2013 were audited by Ahmad & Akhtar. In pursuance of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act 1994, our report is as under:

A) Statements of Assets and Liabilities of the Company is as under:

| Particulars | 12 Months | 13 Months | For the year | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 1-Jun-14 | 31-May-13 |
| | | | Re-stated | Re-stated | |
| Assets: | | | | | |
| Non-Current Assets | 843,729,229 | 801,968,049 | 601,143,384 | 609,703,365 | 553,855,058 |
| Property, Plant & Equipment | 706,738,552 | 683,068,654 | 601,143,384 | 609,703,365 | 553,855,058 |
| Capital Work-in-Progress | 136,990,677 | 118,899,395 | - | - | - |
| | 64,212,418 | 27,995,797 | | | |
| Current Assets | 1,097,434,352 | 836,930,943 | 632,864,166 | 505,038,422 | 503,317,434 |
| Inventories | 369,548,334 | 305,335,916 | 277,340,119 | 202,270,940 | 208,279,749 |
| Trade and Other Receivables | 253,498,965 | 283,685,666 | 249,235,583 | 232,224,827 | 243,993,771 |
| Advances, Deposits and Prepayments | 270,877,947 | 202,966,972 | 58,534,074 | 42,693,102 | 22,545,890 |
| Investment in FDR | 120,000,000 | - | - | - | - |
| Cash and Cash Equivalents | 83,509,106 | 44,942,389 | 47,754,390 | 27,849,553 | 28,498,024 |
| Total Assets | 1,941,163,581 | 1,638,898,992 | 1,234,007,550 | 1,114,741,787 | 1,057,172,492 |
| Shareholders' Equity and Liabilities | | | | | |
| Equity attributable to the Shareholders | 1,647,797,063 | 1,085,378,504 | 630,653,930 | 595,793,005 | 581,604,211 |
| Share Capital | 1,000,000,000 | 500,000,000 | 120,000,000 | 120,000,000 | 120,000,000 |
| Retained Earnings | 647,797,063 | 585,378,504 | 510,653,930 | 475,793,005 | 461,604,211 |
| Share Money Deposit | - | 154,000,000 | 217,952,000 | 90,015,000 | 90,015,000 |

| | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Non-Current liabilities | 86,031,226 | 175,310,350 | 177,932,720 | 189,147,198 | 143,339,341 |
| Long Term Loan net off Current Portion | - | 97,039,783 | 111,253,772 | 128,032,447 | 143,339,341 |
| Deferred Tax Liabilities | 86,031,226 | 78,270,567 | 66,678,948 | 61,114,751 | - |
| Current Liabilities | 207,335,292 | 224,210,138 | 207,468,900 | 239,786,584 | 242,213,940 |
| Trade and Other Payables | 4,311,781 | 9,879,394 | 10,183,756 | 12,399,631 | 17,206,939 |
| Short Term Borrowings | - | 114,583,174 | 131,967,553 | 167,472,037 | 180,621,228 |
| Current Portion of Long Term Loan | 99,000,000 | 17,377,043 | 16,778,675 | 15,306,894 | 13,450,312 |
| Provision for Expenses | 104,023,511 | 82,370,527 | 48,538,916 | 44,608,022 | 30,935,461 |
| Total Liabilities | 293,366,518 | 399,520,488 | 385,401,620 | 428,933,782 | 385,553,281 |
| Total Equity & Liabilities | 1,941,163,581 | 1,638,898,992 | 1,234,007,550 | 1,114,741,787 | 1,057,172,492 |
| Net Assets Value per share (NAVPS) | 16.48 | 21.71 | 52.55 | 49.65 | 48.47 |

Note:

- The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 22, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.*
- Management restated the accounts for the year ended 31 May, 2014 & 31 May, 2015 to recognize deferred tax liability in the accounts as on 30.06.2016.*

B) The statements of operating results of the Company is as follow:

| Particulars | 12 Months | 13 Months | For the year | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |
| Cost of Goods Sold | 365,775,793 | 379,511,010 | 314,252,306 | 290,371,563 | 209,246,777 |
| Gross Profit | 236,715,799 | 249,255,235 | 189,624,447 | 203,563,858 | 185,901,561 |
| Operating Expenses | 112,074,765 | 92,706,814 | 66,228,299 | 59,933,766 | 51,570,583 |
| Operating Income | 124,641,034 | 156,548,421 | 123,396,148 | 143,630,092 | 134,330,978 |
| Financial Expenses | 354,646 | 36,750,662 | 44,536,085 | 66,741,616 | 65,099,393 |
| Net Operating Profit | 124,286,388 | 119,797,759 | 78,860,063 | 76,888,476 | 69,231,585 |
| Non-operating Income | 5,665,239 | 911,168 | 1,075,458 | 2,025,425 | 2,562,375 |
| Net Profit before Contribution to WPPF | 129,951,627 | 120,708,927 | 79,935,521 | 78,913,901 | 71,793,960 |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | 6,188,173 | 5,748,044 | - | - | - |
| Net Profit before Income Tax | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| Income Tax Expenses | 43,484,895 | 40,236,309 | 27,977,433 | 29,592,713 | 26,922,735 |
| Current Tax Expenses | 35,724,236 | 28,644,690 | 27,977,433 | 29,592,713 | 26,922,735 |
| Deferred Tax expenses | 7,760,659 | 11,591,619 | - | - | - |
| Net Profit after Tax | 80,278,559 | 74,724,574 | 51,958,088 | 49,321,188 | 44,871,225 |
| Earnings Per Share (EPS) | 1.03 | 1.24 | 1.06 | 1.00 | 0.91 |
| Fully Diluted EPS | 0.80 | 0.75 | 0.52 | 0.49 | 0.45 |

Note:

1. The Company has changed the face value of its ordinary share from Tk. 100.00 to Tk. 10.00 by passing a special resolution in its extraordinary general meeting held on April 22, 2014 and necessary amendments in capital clause of the Memorandum and Articles of Association were made accordingly.
2. To calculate fully diluted EPS, 100,000,000 number of shares is considered.

| C) Dividend declared: | 12 Months | 13 Months | For the year | | |
|---------------------------------|-------------|-----------|--------------|-----------|----------|
| | Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 1-Jun-14 |
| Cash Dividend | Nil | 5%* | Nil | Nil | Nil |
| Stock Dividend (Bonus Share) | Nil | Nil | Nil | Nil | Nil |

**Declare 5% Cash Dividend to other than Sponsors and Directors*

- D) Silva Pharmaceuticals Limited was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing Reg. No. CH-42959(2318)/2001 dated on April 24, 2001 by the Registrar of Joint Stock Companies & Firms. The Company Converted into public Limited Company on April 22, 2014.
- E) The Company started its commercial operation in July 01, 2003.
- F) The Company has no subsidiary as on the balance sheet date.
- G) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
- H) The Company did not prepare any statement of accounts for the period subsequent to June 30, 2017.
- I) Figures related to previous years have been re-arranged whenever considered necessary.

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Silva Pharmaceuticals Ltd.
Statement of Financial Position
As at June 30, 2017

| Particulars | Amount | Percentage on Total Asset | Grand Total |
|--|----------------------|---------------------------|---------------|
| PROPERTY & ASSETS | | | |
| NON-CURRENT ASSETS | 843,729,229 | | 43.47% |
| | | | |
| Property, Plant and Equipment | 706,738,552 | 36.41% | |
| Land & Land Development | 81,659,667 | 4.21% | |
| Plant & Machinery | 298,245,223 | 15.36% | |
| Generator | 4,879,570 | 0.25% | |
| Building Decoration | 12,260,117 | 0.63% | |
| Electrical Installation | 1,659,958 | 0.09% | |
| Gas Installation | 142,674 | 0.01% | |
| Office Equipment | 16,380,989 | 0.84% | |
| Factory Equipment | 20,315,747 | 1.05% | |
| Furniture and Fixture | 15,269,990 | 0.79% | |
| Vehicle | 26,099,751 | 1.34% | |
| Power House | 415,666 | 0.02% | |
| Laboratory Equipment | 15,118,367 | 0.78% | |
| Factory Building & Warehouse | 214,290,833 | 11.04% | |
| | | | |
| Capital work-in-Progress | 136,990,677 | | 7.06% |
| | | | |
| CURRENT ASSETS | 1,097,434,352 | | 56.53% |
| Inventories | 369,548,334 | 19.04% | |
| Raw Materials | 177,740,281 | 9.16% | |
| Packing Materials | 50,122,152 | 2.58% | |
| Spares & Tools | 20,902,753 | 1.08% | |
| Promotional Materials & Gift items | 28,101,578 | 1.45% | |
| Finished goods | 88,911,132 | 4.58% | |
| Work in Process-Closing | 3,770,438 | 0.19% | |
| Trade and Other Receivables | 253,498,965 | 13.06% | |
| Advances, Deposits and Pre-payments | 270,877,947 | 13.95% | |
| Advance Income Tax | 87,174,130 | 4.49% | |
| Advance against Purchase | 28,158,756 | 1.45% | |
| Advance against L/C | 9,758,224 | 0.50% | |
| Advance against Travelling & Others | 1,864,273 | 0.10% | |
| Motorcycle Advances | 9,056,250 | 0.47% | |
| Employee Advance | 1,934,500 | 0.10% | |
| Advance against Office Rent | 3,535,500 | 0.18% | |
| Advance against Land Purchase | 127,700,000 | 6.58% | |
| Prepayments of VAT | 1,319,104 | 0.07% | |
| Security Deposit | 377,210 | 0.02% | |

| | | | |
|--|----------------------|---------|----------------|
| Investment in FDR | 120,000,000 | 6.18% | |
| Cash and Cash Equivalents | 83,509,106 | 4.30% | |
| | | | |
| Total Assets | 1,941,163,581 | | 100.00% |
| | | | |
| SHAREHOLDERS EQUITY & LIABILITIES | | | |
| Equity attributable to the Shareholders | 1,647,797,063 | | 84.89% |
| Share Capital | 1,000,000,000 | 51.52% | |
| Retained Earnings | 647,797,063 | 33.37% | |
| | | | |
| NON-CURRENT LIABILITIES | 86,031,226 | | 4.43% |
| Deferred Tax Liabilities | 86,031,226 | 4.43% | |
| | | | |
| CURRENT LIABILITIES | 207,335,292 | | 10.68% |
| Trade and Other Payables | 4,311,781 | 0.22% | |
| Current Portion of Long Term Loan | 99,000,000 | 5.10% | |
| Provision for Expenses | 104,023,511 | 5.36% | |
| Directors Remuneration | 100,000 | 0.01% | |
| Field Forces Expenses | 206,426 | 0.011% | |
| Utilities | 225,919 | 0.01% | |
| Office Rent | 271,000 | 0.014% | |
| Salary & Wages | 4,478,942 | 0.231% | |
| Audit Fees | 115,000 | 0.01% | |
| Overtime | 52,688 | 0.00% | |
| Printing & Stationery | 22,842 | 0.0012% | |
| Worker's Profit Participation Fund (WPPF) | 11,936,217 | 0.61% | |
| Provision for Income Tax | 86,614,477 | 4.46% | |
| Total Liabilities | 293,366,518 | | 15.11% |
| Total Equity & Liabilities | 1,941,163,581 | | 100% |

Silva Pharmaceuticals Ltd.
Statement of Profit and Loss and other Comprehensive Income
For the year ended June 30, 2017

| Particulars | Year ended June 30, 2017 | Percentage on Total Turnover | Grand Percentage |
|---|-----------------------------|---------------------------------|---------------------|
| Turnover | 602,491,592 | | 100% |
| Sales Revenue | 602,491,592 | | |
| Less: Cost of Goods Sold | 365,775,793 | | 60.71% |
| Raw materials consumed | 202,046,732 | 33.54% | |
| Packing materials consumed | 95,556,542 | 15.86% | |
| Consumable item consumed | 13,487,037 | 2.24% | |
| | 311,090,311 | | |
| Work in process-Opening | 3,622,136 | | |
| Work in process-Closing | 3,770,438 | | |
| Change in work in process | (148,302) | | |
| Total consumption | 310,942,009 | 51.61% | |
| Add: Manufacturing Overhead | 34,402,262 | | |
| Add: Depreciation | 45,560,900 | | |
| Cost of production | 390,905,171 | 64.88% | |
| Finished goods - Opening | 68,475,632 | | |
| Finished goods - Closing | 88,911,132 | | |
| Change of finished goods stock | (20,435,500) | | |
| Less: Cost of Sample | 4,693,878 | | |
| Cost of Goods Sold | 365,775,793 | 60.71% | |
| Gross Profit | 236,715,799 | | 39.29% |
| Less: Operating Expenses | 112,074,765 | | 18.60% |
| Administrative Expenses | 23,627,690 | 3.92% | |
| Selling & Distribution Expenses | 88,447,075 | 14.68% | |
| Operating Income | 124,641,034 | | 20.69% |
| Less: Financial Expenses | 354,646 | | 0.06% |
| Financial Expenses | 354,646 | 0.06% | |
| Net Operating Profit | 124,286,388 | | 20.63% |
| Add: Interest and Other Income | 5,665,239 | 0.94% | |
| Net Profit before Contribution to WPPF | 129,951,627 | | 21.57% |
| Provision for Contribution to Worker's Profit Participation fund (WPPF) | 6,188,173 | 1.03% | |
| Net Profit before Income Tax | 123,763,454 | | 20.54% |
| Less: Income Tax Expenses | 43,484,895 | | 7.22% |
| Current Tax Expenses | 35,724,236 | 5.93% | |
| Deferred Tax expenses | 7,760,659 | 1.29% | |
| Net Profit after Tax | 80,278,559 | | 13.32% |

- (f) **Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

As per audited financial statement for the year ended June 30, 2017

| Particulars | Amount in Taka |
|---|-----------------------|
| Net Profit after Tax | 80,278,559 |
| Total existing number of Share | 100,000,000 |
| Weighted average number of Share | 77,818,082 |
| Earnings per Share (EPS)-Fully Diluted Basis | 0.80 |
| Earnings per Share (EPS)-Weighted average no. of Share basis | 1.03 |

- (g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

As per audited financial statement for the year ended June 30, 2017

| Particulars | Amount in Taka |
|---|-----------------------|
| Net Profit before Contribution to WPPF with other income | 129,951,627 |
| Less: Other Income | 5,665,239 |
| Profit before Provision for WPPF except Other Income | 124,286,388 |
| Less: Provision for WPPF | 6,188,173 |
| Net Profit before Income Tax | 118,098,215 |
| Less: Income Tax Expenses | 43,484,895 |
| Net Profit after Tax | 74,613,320 |
| No. of shares | 77,818,082 |
| Earnings per Share (EPS) | 0.96 |

- (h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**
This information is not applicable for SPL.
- (i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**
The Company has not revalued any of its assets.

As per audited financial statement for the year ended June 30, 2017

| Particulars | Amount in Taka |
|--|-----------------------|
| Share Capital | 1,000,000,000 |
| Retained Earnings | 647,797,063 |
| Total Shareholders' Equity (without revaluation reserve) | 1,647,797,063 |
| Total Number of Ordinary Share | 100,000,000 |
| Net Assets Value (NAV) (without revaluation reserve) at BDT 10.00 per share | 16.48 |

- (j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**
This information is not applicable for SPL.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued;

Certification on statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid or accrued of Silva Pharmaceuticals Limited.

After due verification, we certify that the long term and short term borrowing including borrowing from related party or connected persons of Silva Pharmaceuticals Limited from 1st June, 2011 to 31 March, 2017 made up as follows:

For the period ended 30 June, 2017

| Name of Party | Nature of Relationship | Nature of Borrowing | Balance as 31 March, 2017 | Interest Rate | Interest Paid, (BDT) | Interest Accrued, (BDT) |
|--------------------|------------------------|---------------------|---------------------------|---------------|----------------------|-------------------------|
| NCC Bank Ltd., | Lender | Long Term | 99,000,000 | 15% | - | - |
| Sub-Total | | | 99,000,000 | | - | - |
| NCC Bank Ltd., | Lender | Short Term | - | 15% | - | - |
| Sub-Total | | | - | | - | - |
| Grand Total | | | - | | - | - |

For the period ended 30 June, 2016

| Name of Party | Nature of Relationship | Nature of Borrowing | Balance as 30 June, 2016 | Interest Rate | Interest Paid, (BDT) | Interest Accrued, (BDT) |
|--------------------|------------------------|---------------------|--------------------------|---------------|----------------------|-------------------------|
| NCC Bank Ltd., | Lender | Long Term | 114,416,826 | 15% | 17,623,812 | - |
| Sub-Total | | | 114,416,826 | | 17,623,812 | - |
| NCC Bank Ltd., | Lender | Short Term | 114,583,174 | 15% | 17,994,470 | - |
| Sub-Total | | | 114,583,174 | | 17,994,470 | - |
| Grand Total | | | 229,000,000 | | 35,618,282 | - |

For the year ended 31 May, 2015

| Name of Party | Nature of Relationship | Nature of Borrowing | Balance as 31 May, 2015 | Interest Rate | Interest Paid, (BDT) | Interest Accrued, (BDT) |
|--------------------|------------------------|---------------------|-------------------------|---------------|----------------------|-------------------------|
| NCC Bank Ltd., | Lender | Long Term | 128,032,447 | 15% | 16,271,584 | - |
| Sub-Total | | | 128,032,447 | | 16,271,584 | |
| NCC Bank Ltd., | Lender | Short Term | 131,967,553 | 15% | 27,005,858 | - |
| Sub-Total | | | 131,967,553 | | 27,005,858 | |
| Grand Total | | | 260,000,000 | | 43,277,442 | - |

For the Year ended, 31 May, 2014

| Name of Party | Nature of Relationship | Nature of Borrowing | Balance as 31 May, 2014 | Interest Rate | Interest Paid, (BDT) | Interest Accrued, (BDT) |
|--------------------|------------------------|---------------------|-------------------------|---------------|----------------------|-------------------------|
| NCC Bank Ltd., | Lender | Long Term | 143,339,341 | 15% | 17,935,183 | - |
| Sub-Total | | | 143,339,341 | | 17,935,183 | |
| NCC Bank Ltd., | Lender | Short Term | 167,472,037 | 15% | 46,075,909 | - |
| Sub-Total | | | 167,472,037 | | 46,075,909 | |
| Grand Total | | | 310,811,378 | | 64,011,092 | - |

For the year ended 31 May, 2013

| Name of Party | Nature of Relationship | Nature of Borrowing | Balance as 31 May, 2013 | Interest Rate | Interest Paid, (BDT) | Interest Accrued, (BDT) |
|--------------------|------------------------|---------------------|-------------------------|---------------|----------------------|-------------------------|
| NCC Bank Ltd., | Lender | Long Term | 156,789,653 | 15% | 32,884,262 | - |
| Sub-Total | | | 156,789,653 | | 32,884,262 | |
| NCC Bank Ltd., | Lender | Short Term | 180,621,228 | 15% | 29,670,423 | - |
| Sub-Total | | | 180,621,228 | | 29,670,423 | |
| Grand Total | | | 337,410,881 | | 62,554,685 | - |

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

- (ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status;

Certification on statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral or other security, re-payment schedule and status of Silva Pharmaceuticals Limited.

After due verification, we certify that the principal terms of secured loans as per loan agreement and assets on which charge have been created against those Loans of Silva Pharmaceuticals Limited from 1st June, 2011 to 31 March, 2017 were as follows:

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|---|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Names of lenders | NCC Bank Ltd | NCC Bank Ltd | NCC Bank Ltd | NCC Bank Ltd | NCC Bank Ltd |
| Purpose | For Development of New Product | | | | |
| Collateral Asset | 275.00 decimal land of Silva Pharmaceuticals Ltd. & 500 decimal land of Noakhali Oil Refinery Ltd. (Third Party) | | | | |
| Sanctioned Amount (Taka in million) | 19.00 Crore | 19.00 Crore | 19.00 Crore | 19.00 Crore | 19.00 Crore |
| Rate of Interest | 15% | 15% | 15% | 15% | 15% |
| Re-payment schedule | 120 Equal Monthly Installment | 120 Equal Monthly Installment | 120 Equal Monthly Installment | 120 Equal Monthly Installment | 120 Equal Monthly Installment |
| Status (Outstanding balance Tk.) | 99,000,000 | 114,416,826 | 128,032,447 | 143,339,341 | 156,789,653 |

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|-------------------------------------|---|---------------|---------------|---------------|---------------|
| Names of lenders | NCC Bank Ltd | NCC Bank Ltd | NCC Bank Ltd | NCC Bank Ltd | NCC Bank Ltd |
| Purpose | For Working Capital Finance & Importing Raw Materials, Packing Materials & Spare parts etc. | | | | |
| Collateral Asset | LC documents and Imported goods. | | | | |
| Sanctioned Amount (Taka in million) | 24.00 Crore | 24.00 Crore | 24.00 Crore | 24.00 Crore | 24.00 Crore |
| Rate of Interest | 15% | 15% | 15% | 15% | 15% |
| Re-payment schedule | Within 1 Year | Within 1 Year | Within 1 Year | Within 1 Year | Within 1 Year |
| Status (Outstanding balance Tk.) | - | 114,583,174 | 131,967,553 | 167,472,037 | 180,621,228 |

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(iii) Statement of unsecured loans with terms and conditions;

Certification on statemnt of unsecured loans with terms and conditions of Silva Pharmaceuticals Limited

This is to certify that Silva Pharmaceuticals Limited did not take any unsecured loan from 1st June, 2012 to 30 June, 2017.

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

- (iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store and spares parts, inventory of trading goods etc.;

Certification on statement showing the amount of raw material, packing material, stock-in process and finished goods, consumable items, store and spare parts, inventory of trading goods etc. of Silva Pharmaceuticals Limited.

After due verification, we certify that the statement of inventories showing amount of raw material, packing material, stock-in process, finished goods, consumable items, store and spare parts, inventory of trading goods etc. of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 were as follows:

| Particulars | Amount in Taka | | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| Raw Material | 177,740,281 | 153,184,259 | 145,588,911 | 100,088,469 | 112,529,313 |
| Packing Material | 50,122,152 | 37,825,468 | 34,406,446 | 19,688,036 | 18,448,742 |
| Store & Spare Parts | 20,902,753 | 20,865,437 | 19,498,706 | 16,981,724 | 15,912,783 |
| Promotional Materials & Gift Items | 28,101,578 | 21,362,984 | 27,053,005 | 26,785,153 | 25,099,120 |
| Finished Goods | 88,911,132 | 68,475,632 | 47,952,518 | 36,145,255 | 33,870,036 |
| Work-In-Process | 3,770,438 | 3,622,136 | 2,840,533 | 2,582,303 | 2,419,755 |
| Consumable Items | - | - | - | - | - |
| Inventory of Trading Goods | - | - | - | - | - |
| Total | 369,548,334 | 305,335,916 | 277,340,119 | 202,270,940 | 208,279,749 |

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

Certification on statement of trade receivables showing receivable from related party and connected persons of Silva Pharmaceuticals Limited.

After due verification, we certify that the statement of trade receivables showing receivables from related party and connected persons of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 were as follows:

| Particulars | Amount in Taka | | | | |
|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| General | 249,305,062 | 283,685,666 | 249,235,583 | 232,224,827 | 243,993,771 |
| From related party | - | - | - | - | - |
| From connected persons | - | - | - | - | - |
| Total | 249,305,062 | 283,685,666 | 249,235,583 | 232,224,827 | 243,993,771 |

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;

Certification on statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized or accrued by the Silva Pharmaceuticals Limited.

This is to certify that Silva Pharmaceuticals Limited did not give any loan to any person or related party from 1st June, 2012 to 30 June, 2017.

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;

Certification on statement of other income showing interest income, dividend income, discount received, other non operating income of Silva Pharmaceuticals Limited.

After due verification, we certify that the statement of other income showing interest income, dividend income, discount received and other non-operating income of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 were as follows:

| Particular | Amount in Taka | | | | |
|----------------------------|-----------------------|-----------------------|------------------|------------------|------------------|
| | 6/30/2017 (12 months) | 6/30/2016 (13 months) | 31-May-15 | 31-May-14 | 31-May-13 |
| Interest Income | 5,000,802 | 46,228 | - | - | - |
| Dividend Income | - | - | - | - | - |
| Discount Received | - | - | - | - | - |
| Other Non-Operating Income | 664,437 | 864,940 | 1,075,458 | 2,025,425 | 2,562,375 |
| Total | 5,665,239 | 911,168 | 1,075,458 | 2,025,425 | 2,562,375 |

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Certification on statement of turnover showing separately in cash and through banking channel of Silva Pharmaceuticals Limited.

After due verification, we certify that the turnover showing separately in cash and through banking channel of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 were as follows:

| Particular | Amount in Taka | | | | |
|-------------------------|-----------------------|-----------------------|--------------------|--------------------|--------------------|
| | 6/30/2017 (12 months) | 6/30/2016 (13 months) | 31-May-15 | 31-May-14 | 31-May-13 |
| In Cash | 636,872,196 | 594,316,162 | 486,865,997 | 505,704,365 | 384,580,736 |
| Through banking channel | - | - | - | - | - |
| Total Collection | 636,872,196 | 594,316,162 | 486,865,997 | 505,704,365 | 384,580,736 |
| Closing Receivable | 249,305,062 | 283,685,666 | 249,235,583 | 232,224,827 | 243,993,771 |
| Opening Receivable | 283,685,666 | 249,235,583 | 232,224,827 | 243,993,771 | 233,426,169 |
| Total Turnover | 602,491,592 | 628,766,245 | 503,876,753 | 493,935,421 | 395,148,338 |

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

(ix) Statement of related party transaction;

Certification on statement of related party transactions of Silva Pharmaceuticals Limited.

After due verification, we certify that the status of related party transactions of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 were as follows:

| Name | Nature of Transaction | Amount in (BDT) | | | | | | | | |
|-------------------------------|-------------------------------|--------------------|----------------|-------------------|--------------------|----------------|--------------------|------------------|------------------|------------------|
| | | 30-Jun-17 | | | 30-Jun-16 | | | 31-May-15 | 31-May-14 | 31-May-13 |
| | | Total Amount | Accured | Payment | Payment | Accured | Payment | Payment | Payment | Payment |
| Mrs. Silvana Mirza | Remunerations | 600,000 | - | 675,000 | 975,000 | 75,000 | 900,000 | 900,000 | 900,000 | 900,000 |
| Dr. Saira Khan | Remunerations | 400,000 | 100,000 | 300,000 | - | - | - | - | - | - |
| A. R. Hassan Mirza | Office Rent | 1,593,720 | 132,810 | 1,593,720 | 1,726,530 | 132,810 | 1,593,720 | 1,593,720 | 1,593,720 | 1,593,720 |
| | Remunerations | 800,000 | - | 900,000 | 1,300,000 | 100,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| AGI Printing & Packaging Ltd. | Local supply of printing item | - | - | - | 4,744,110 | 651,010 | 4,093,100 | - | - | - |
| Mrs. Sajeda Mirza | Advance against Land Purchase | 127,700,000 | - | 29,200,000 | 98,500,000 | - | 98,500,000 | - | - | - |
| Sub-Total | | 131,093,720 | 232,810 | 32,668,720 | 107,245,640 | 958,820 | 106,286,820 | 3,693,720 | 3,693,720 | 3,693,720 |
| Directors | Board Meeting Fee | 474,375 | - | 474,375 | 89,700 | - | 89,700 | - | - | - |
| Grand total | | 131,568,095 | 232,810 | 33,143,095 | 107,335,340 | 958,820 | 106,376,520 | 3,693,720 | 3,693,720 | 3,693,720 |

Place: Dhaka

Date: December 05, 2017

Sd/-

Mahfel Huq & Co.

Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Certification regarding reconciliation of business income shown in tax return with net income shown in audited financial statements of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017.

This is to certify that the business income of Silva Pharmaceuticals Limited as per audited financial statements and income shown in tax return for the last five years were as follows:

| Particulars | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
|---|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Net income before tax as per Audited Financial Statements | 123,763,454 | 114,960,883 | 79,935,521 | 78,913,901 | 71,793,960 |
| Add: Accounting Depreciation | Income Tax return not yet submitted. | 43,540,021 | 40,046,529 | 43,227,859 | - |
| Less: Tax Depreciation | | 76,658,934 | 55,944,233 | 62,977,422 | - |
| Income shown in Tax Return | | 81,841,970 | 64,037,817 | 59,164,338 | 71,793,960 |

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

- (xi) **Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;**

Certification on confirmation that all receipts and payments of Silva Pharmaceuticals Limited above Tk. 500,000/- (Five Lac) were made through Banking Channel.

This is to certify that all receipts and payments of Silva Pharmaceuticals Limited above Tk. 500,000 (Five Lac) were made through banking channel from 1st June, 2012 to 30 June, 2017.

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

- (xii) **Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;**

Certification on confirmation that bank statements of Sliva Pharmaceuticals Limited are in conformity with its books of accounts

This is to certify that the bank statements of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 are in conformity with its books of account.

Place: Dhaka
Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes/duties; and

Certification on statement of payment status of Tax, VAT and other taxes or duties of Silva Pharmaceuticals Limited

After due verification, we certify that the status of Tax, VAT and other taxes or duties payments of Silva Pharmaceuticals Limited from 1st June, 2012 to 30 June, 2017 were as follows:

| Particular | Amount in BDT | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 30-Jun-17 | 30-Jun-16 | 31-May-15 | 31-May-14 | 31-May-13 |
| Tax | 40,140,128 | 34,504,622 | 44,042,633 | 12,517,600 | 13,594,597 |
| VAT | 47,500,000 | 49,700,000 | 37,860,000 | 52,420,000 | 53,000,000 |
| Others Taxes/Duties | N/A | N/A | N/A | N/A | N/A |
| Total | 87,640,128 | 84,204,622 | 81,902,633 | 64,937,600 | 66,594,597 |

Place: Dhaka

Date: December 05, 2017

Sd/-
Mahfel Huq & Co.
Chartered Accountants

**Auditors' additional disclosure relating to the financial statements
Of
Silva Pharmaceuticals Limited**

1. It is observed that the company did not distribute and utilize Worker's Profit participation and Welfare Fund as per the Bangladesh Labor (Amendments) Act, 2013. Explain your position regarding the same;

Response to the above:

The Company has made a trust deed on 16th November 2017, which was registered accordingly; the company has also opened a bank account in the name of the trust and transferred WPPF money to that bank account. Then, the company has sent 10% of the fund to the Workers Welfare Foundation Fund as per section 234(a) of the Bangladesh Labor (Amendments) Act, 2013.

2. It appears that the company has not recognized WPPF as expense in the year ended on 2012, 2013, 2014 & 2015 for which Net profit after Tax and Earning per Share (EPS) seem overstated. Explain.

Response to the above:

The management of the company did not comply the provision to charge WPPF in the year ended on 2012, 2013, 2014 & 2015. However, the management had recognized Workers' Profit Participation and Welfare Fund (WPPF) from 01 June, 2015. As the company did not charge WPPF in the previous years profit has been shown higher. Thus, net profit after tax and Earnings per share have been shown greater in the presented financial statements.

3. Details breakup of waiver of interest on long term loan in note-22.00 of the financial statements.

Response to the above:

| Sl. No. | Particulars/Observation | Status |
|---------|--|--|
| 1 | When the company has taken loan? | The Company has taken loan as on May 03, 2010. |
| 2 | Why NCC Bank has given waiver? | The Company has been doing business with NCC Bank Ltd. for long. The Company has having good terms with NCC bank Ltd. Management propose NCC Bank Ltd. for settlement of loan. The NCC Bank Ltd. agreed with our proposal and gave the opportunity to settle loan amount without giving interest in the specified time. In the meantime, management paid tk. 16.10 Crore. The bank further has given another opportunity to pay off the remaining loan amount without giving interest in the specified time. |
| 3 | How much interest on loan has been waiver? | The Company has get waiver of interest Tk. 1,93,05,000.00 for the loan amount of Taka 9.90 crore @ 13% p.a. for the period from July 01, 2016 to December 30, 2017. |

| | | |
|---|---|--|
| 4 | Have you paid all amount of loan? | The Company has already paid the amount of Taka 16.10 crore and remaining balance of Taka 9.90 crore to be paid within 30.06.2018. |
| 5 | Have you charged interest for all period? | Yes, the Company has charged all interest relevant to all periods. |

4. Break-up of land and land development expenses;

Response to the above:

Break-up of land and land development expenses shown in the audited financial statements as on 30.06.2017 are as follows:

| | |
|------------------------|---------------------------------|
| Deed value of land | Tk. 6,000,000.00 |
| Land registration cost | <u>Tk. 525,810.00</u> |
| Total Land cost | Tk. 6,525,810.00 |
| Land development costs | <u>Tk.75,133,875.00</u> |
| Total costs | <u>Tk. 81,659,667.00</u> |

Detailed of land development expenses;

Response to the above:

The detailed of land and land development expenses as on 3 June, 2017 is as follows:

| Sl. No. | Particulars | Amount in BDT |
|--------------|--|-------------------|
| 1 | Earth filling | 48,481,714 |
| | Earth filling and entire factory premises development cost up to 30-09-2009 by local sand, soil with labour and carrying including ditch area filling 16,16,057 cft. @ Tk. 30 per cft. | |
| 2 | Work with Piling: | 17,585,300 |
| | 20-50 feet piling work has been done by soil, brick, stone chips, brick chips, MS rod, cement and other consumable items. | |
| 3 | Bulldozer Cost | 5,707,200 |
| | Fuel, Rent, Operation Cost, Wages & Maintenance Cost. | |
| 4 | Plantation | 250,000 |
| | Various Tree plantation in the premises | |
| 5 | Other Expenses (Consumable items and others expenses) | 3,109,643 |
| Total | | 75,133,857 |

Details of Bulldozer costs:

| SL. | Particulars | Amount in Taka | |
|-----------------------------|---|------------------|--------------------|
| 1 | 2 Bulldozers rent per month Tk.1,20,000 for 7 Months | 2 X 1,20,000 X 7 | 16,80,000/- |
| 2 | Fuel cost of 2 Bulldozer total 65,250 liter diesel per litter Tk.54.00 | 65,250 X 54.00 | 35,23,500/- |
| 3 | Salary of driver Tk.16,000 and helper Tk.9,000 of 2 Bulldozer for 7 months | 2 X 25,000 X 7 | 3,50,000/- |
| 4 | Food allowance of driver Tk.200 and helper Tk.100 of 2 Bulldozer for 170 days | 2 X 300 X 170 | 1,02,000/- |
| 5 | Maintenance cost | | 51,700/- |
| Total Bulldozer Cost | | | 57,07,200/- |

5. Detailed information about advance against land and present status of advances;

Response to the above:

The advance against land purchase represents the advance paid to Mrs. Sajeda Mirza against purchase of 3.14 acre land. The Land is situated at Jalial Mouza of Noakhali Pouroshava, Noakhali. The company previously made a registered Baina deed with Mrs. Sajeda Mirza on 22.08.2017 against advance paid for land purchase. In the meantime the company registered the same land in the name of the company on 08.04.2018 from Mrs. Sajeda Mirza and paid the rest amount of Taka 3,95,00,000.00.

6. Details of building decoration;

Response to the above:

Detailed information regarding building decoration as on 30.06.2017 is as follows:

| Sl. | Particulars | Cost Amount in BDT | WDV as on 30-06-2017 |
|--------------|---|--------------------|----------------------|
| 1 | Floor Development Work: | | |
| | Floor has been developed with plaster work, painting work and other related work for the installation of machineries. | 6,775,000 | 12,260,117 |
| 2 | Interior Decoration Work: | | |
| | Factory | 14,922,000 | |
| | Corporate Interior decoration has been done with melamine board ceiling work, wooden work, glass partition work, work station, lighting, painting, electric line and furniture work | 10,778,000 | |
| 3 | Other Expenses: | | |
| | Labor expenses, Consumable items and others Expenses | 1,410,191 | |
| Total | | 33,885,191 | 12,260,117 |

7. Whether you have obtained balance confirmation certificates from all the parties of accounts receivables;

Response to the above:

The company has 14,102 parties related to account receivables. We sent balance confirmation letter to 1220 parties out of them 849 parties confirmed their balances to us.

8. Name-wise schedule of parties of accounts receivables having outstanding balance of more than Tk. 1.00 crore as on 30-06-2016 and subsequent balance there on ;

Response to the above:

The company had no any party with accounts receivable outstanding balance more than Tk. 1.00 crore as on 30-06-2016 and subsequently.

9. Subsequent balance of advance to parties with address of the parties and reasons of advances;

Response to the above:

The subsequent advance balances (as on 31.12.2017) with the name of the parties, their address and reasons for given advances.

| SL. No. | Party Name | Addresses | Reason of Advances | Amount as on 30-06-2017 | Subsequent Balance as on 31-12-2017 |
|---------|---------------------------------------|--|----------------------------|-------------------------|-------------------------------------|
| 1 | Asia Plastic Container | 89,Posta,Lalbagh, Dhaka-1211 | Packing Materials Purchase | 822,000 | 650,000 |
| 2 | Bangladesh Scientific & Chemical Mart | Shahid Nazrul Islam Road, Hatkhola, Delwar Complex, Dhaka. | Raw Materials Purchase | 1,718,000 | 2,648,000 |
| 3 | Best Silica Gel Packaging | 57/1 Ground Floor , Main Road , Kalyanpur, Dhaka | Packing Materials Purchase | 162,000 | 345,000 |
| 4 | Bhai Bhai Printing | Kazla, Vanga Press, Zatrabari, Dhaka. | Packing Materials Purchase | 679,000 | 285,000 |
| 5 | China Time Distributions | House# 19, Road # 9, DIT Project, Merul Badda, Dhaka. | Packing Materials Purchase | 563,500 | 425,000 |
| 6 | Creative Pharma Pack | 116/C, Hazaribagh, Dhaka-1209 | Packing Materials Purchase | 492,100 | 785,000 |
| 7 | Crystal Flexipack Ltd. | 229, Nawabpur Road, Dhaka-1100 | Packing Materials Purchase | 444,000 | 640,000 |
| 8 | Eastern Trade | 21 Armanian Street, Armanitola, Mona Complex (G.Fl), Dhaka | Raw Materials Purchase | 2,278,000 | 2,875,000 |
| 9 | Famous Perfumery Suppliers | Shop # 38 , Mitfort Road, Dhaka | Raw Materials Purchase | 1,505,000 | 2,248,000 |

| | | | | | |
|--------------|-----------------------------|--|----------------------------------|-------------------|-------------------|
| 10 | Index Chemi | 8/J, Armanian Street, Armanitola, Dhaka-1100. | Raw Materials Purchase | 3,256,000 | 2,935,000 |
| 11 | Master Simex Paper Ltd | 74,Dilkusha C/A,(1st Floor), Dhaka. | Packing Materials Purchase | 665,000 | 562,000 |
| 12 | Metro Foils Ltd | H#170, Road#3, New DOHS, Mohakhali, Dhaka | Packing Materials Purchase | 630,000 | 870,000 |
| 13 | Oshadhi Industries Ltd | 18 Gopibagh,Ist Lane , Dhaka - 1203 | Packing Materials Purchase | 525,000 | 825,000 |
| 14 | Pharma Vintage | 18 Gopibagh,Ist Lane , Dhaka - 1203 | Packing Materials Purchase | 630,000 | 756,000 |
| 15 | Pharmaraw Bangladesh | Flat C1,House 12,Road 3,Dhanmondi , Dhaka - 1209 | Raw Materials Purchase | 1,380,000 | 2,560,000 |
| 16 | Pharmatek Chemicals Ltd | 19,Dhanmondi R/A,Road#7 ,Dhaka -1207 | Raw Materials Purchase | 2,107,000 | 2,233,200 |
| 17 | S M Enterprise | 19,Haranath Gosh Road, Lalbagh, Dhaka | Packing Materials Purchase | 493,500 | 256,800 |
| 18 | Bilmillah Traders | 8/1, Jindhabahar, 2nd Lane, Dhaka | Packing Materials Purchase | 630,000 | 782,000 |
| 19 | Remo Chemicals Limited | 235, Tejgaon Industrial Area , Dhaka - 1208 | Raw Materials Purchase | 2,976,000 | 1,562,000 |
| 20 | S L Corporation | Bismillah Bhaban (1st Floor), Shop#9, Mitford , Dhaka - 1100 | Raw Materials Purchase | 2,710,000 | 2,152,000 |
| 21 | Shotez Enterprise | House # A/7, Road # 01, Sector-7, Pailabi, Mirpur, Dhaka -1217 | Raw Materials Purchase | 1,872,000 | 1,225,000 |
| 22 | Tanim Plastic Industries | Plot # 21,Block # I, Road # 3, Barabag, Mirpur-2 , Dhaka -1216 | Packing Materials Purchase | 1,620,656 | 365,000 |
| Total | | | | 28,158,756 | 27,985,000 |

10. A details break down including address, telephone number, against Accounts Receivables as on 30.06.2017 are required.

Response to the above:

Though the company is operating its business all over the Bangladesh and has 14102 parties related to accounts receivable, the DMO wise detailed breakdown including address, telephone numbers and number of chemist of accounts receivables balances as on 30.06.2017 are given below:

| SL No | Particular | DMO Address | Telephone No | No. of Chemist | Amount in Taka 30 June'2017 |
|--------------|-------------------|---|------------------------|----------------|--------------------------------|
| 1 | Barisal Region | Samir Kunja, H # 960, Uttar Sagordi ,Ward # 14, C & B Road, Barisal-8200. | Mobile- 01727-254278, | 1063 | 18,593,178 |
| 2 | Bogra Region | House # 352, Panir Tanki Road, Boxi Bazar, Malotinagar, Bogra-5800. | Mobile- 01721-218060, | 1306 | 23,178,013 |
| 3 | Chittagong Region | Plot # 3185, East Nasirabad,O.R. Nizam Road,Dampara, Chittagong-3800. | Mobile- 01726-675068, | 1304 | 21,170,673 |
| 4 | Comilla Region | Faruk Tower, H # 1, Race Couse,Dhanmondi Road,, Comilla-3500. | Mobile - 01985-475828, | 1070 | 20,233,669 |
| 5 | Dhaka Region | Rita Kunju, 169 Boro Mogh Bazar,Doctor's Lane, Dhaka City-1217. | Mobile- 01716-275677, | 1158 | 21,626,470 |
| 6 | Faridpur | Desh Clinic, H # 3, Kabi Jashim Uddin Road,South Alipur, Faridpur-7800. | Mobile- 01738-199832, | 752 | 11,425,657 |
| 7 | Jessore Region | House # 49, Jamie Moshjid Lane, Jessore-7400. | Mobile -01917-414533. | 1218 | 22,114,982 |
| 8 | Mymensingh Region | Polytechni More, Maskanda, Mymensing, Mymensing-2200. | Mobile- 01712-503439, | 1223 | 21,955,654 |
| 9 | Noakhali Region | Kazi Colony (Near Alamin Guest House), Maijdee-3800. | Mobile -01782-900130, | 1260 | 23,205,750 |
| 10 | Rajshahi Region | House# 81, Sector#02, Upashahar, Rajshahi City-6002. | Mobile - 01712-414052, | 1242 | 20,719,447 |
| 11 | Rangpur Region | Dhap Sagorpara (Beside Rangpur Medical College), -5400. | Mobile- 01774-801586 | 1264 | 22,969,866 |
| 12 | Sylhet Region | Abdul Motin Villa, Kolbakhani, H#7, R/A,, Sylhet City-3100. | Mobile -01938-393062, | 1242 | 22,111,703 |
| Total | | | | 14102 | 249,305,062 |

11. Details information regarding advance income tax as on 30.06.2017 with subsequent balance there on;

Response to the above:

Detailed information regarding advance income tax with subsequent balance thereon is as follows:

| Sl. No. | Name of The Financial Year | Balance as on 30/06/2017(Taka) | Subsequent Balance as on 31/12/2017(Taka) |
|--------------|----------------------------|--------------------------------|---|
| 1 | 2014-2015 | 12,697,066.00 | 0.00 |
| 2 | 2015-2016 | 34,504,622.00 | 34,504,622.00 |
| 3 | 2016-2017 | 39,972,442.00 | 39,972,442.00 |
| Total | | 87,174,130.00 | 74,477,064.00 |

12. As per the Audited Financial statements for the year ended 30 June, 2017 the company has shown Tk. 64,77,97,063 as Retained Earnings and Tk. 12,00,00,000 as FDR totaling to Tk. 76,77,97,063 which is enough for further expansion of business and repayment of loan. Explain;

Response to the above:

Use of net proceeds from IPO, Machinery & Equipment amounting Tk. 12.25 Crore, Civil Construction of approximate 20,000 sft. Factory Building amounting Tk. 5.60 crore and for Repayment of Bank Loan amounting Tk. 9.90 crore. This amount is only for IPO fund Utilization. But more amounts will be required for purchase of Land including registration cost amounting to Tk. 5,78,91,350.00 and construction of another approximate 30,000 sft in the same building which will be managed by the company's own cash flows mainly from FDR of Tk. 12,00,00,000.

Since, company's paid up capital exceeds Tk. 50 Crore, Management is required to comply the Bangladesh Securities and Exchange Commission, notification no. SEC/CMRRCD/2006-159/36/Admin/03-44, dated May 05, 2010 for raising capital through public offer. It is mentionable here that, the retained earnings amounting tk. 64,77,97,063 was already placed in different formats like plant and machinery, vehicle, land development, factory building, working capital and other assets. Moreover, remaining part of retained earnings will be used for further expansion.

13. As per the Cash Flow Statements as at 30 June, 2017 an amount of Tk. 34,60,00,000 is shown as share money received, Explain the reason regarding the same;

Response to the above:

It was an inadvertent mistake to present Tk. 34,60,00,000 as share money received instead of issuance of share capital. The actual presentation of the Statement of Cash Flows would be:

Silva Pharmaceuticals Limited
Statement of Cash Flows
For the year ended June 30, 2017

| Particulars | Amount in Taka | |
|--|-----------------------------|-----------------------------|
| | 01/07/2016 to 30/06/2017 | 01/07/2015 to 30/06/2016 |
| Cash flows from Operating Activities | | |
| Cash received from Customers | 636,872,196 | 555,260,117 |
| Cash received from non-operating income | 1,471,336 | 911,168 |
| Cash Paid to Suppliers | (375,241,109) | (335,022,531) |
| Cash Paid to Employees | (94,097,788) | (68,973,209) |
| Cash Paid for Others | (48,486,395) | (31,999,313) |
| Income Tax Paid | (40,140,128) | (29,504,622) |
| Net cash inflow/(outflow) from operating activities (A) | 80,378,112 | 90,671,610 |

| Cash flows from Investing Activities | | |
|---|----------------------|----------------------|
| Acquisition of Property, Plant and Equipment | - | (117,560,134) |
| Cash Payments for Capital Work-in-progress | (90,751,395) | (118,899,395) |
| Cash Payments for FDR | (120,000,000) | - |
| Cash Payments for Advance against acquisition of land | (29,200,000) | (98,500,000) |
| Net cash inflow/(outflow) from investing activities (B) | (239,951,395) | (334,959,529) |
| Cash flows from Financing Activities | | |
| Issuance of Share Capital | 346,000,000 | - |
| Long Term Loan received/(Repaid) | (15,416,826) | (15,269,373) |
| Short Term Loan received/(Repaid) | (114,583,174) | (19,088,960) |
| Cash payment for Financial Expenses | - | (32,259,949) |
| Dividend Paid | (17,860,000) | - |
| Cash Paid from Share Money Received | - | (3,015,000) |
| Cash Received from Share Money Received | - | 312,263,000 |
| Net cash inflow/(outflow) from financing activities (C) | 198,140,000 | 242,629,718 |
| Net increase/(decrease) of Cash and Cash Equivalents (A+B+C) | 38,566,717 | (1,658,201) |
| Cash and Cash Equivalents at the beginning of the period | 44,942,389 | 46,600,590 |
| Cash and Cash Equivalents at the end of the period | 83,509,106 | 44,942,389 |
| Net Operating Cash Flow Per Share | 1.03 | 1.48 |

14. Explain why vehicle, Furniture & Fixture, Laboratory Equipment is included under the head of Capital Work in Progress;

Response to the above:

When the company purchase / acquire any assets, the company put all assets to Capita work in progress. After completion of the necessary administrative works then the assets transfer to fixed assets. Hence on the balance sheet date capital work in progress shown balance of various assets.

15. Details of interest receivable shown under note-7.00 of the Financial Statements;

Response to the above:

The interest receivable of Taka 41,93,903.00 was arises from the FDR amount tk. 120,000,000.00 as on 30.06.2017. The calculations of the same are given below:

| Investment | | | | Rate of Interest | Days up to 30.06.2017 | Amount in Taka |
|--------------|--------------|-------------|--------------------|------------------|-----------------------|------------------|
| Date | Matured Date | Bank | Amount | | | |
| 18.12.2016 | 18.12.2017 | Union Bank | 60,000,000 | 7.00% | 194 | 22,32,328 |
| 27.12.2016 | 27.12.2017 | Union Bank | 15,000,000 | 7.50% | 185 | 5,70,205 |
| 01.01.2017 | 01.01.2018 | Union Bank | 5,000,000 | 7.50% | 180 | 1,84,932 |
| 15.01.2017 | 15.01.2018 | Union Bank | 10,000,000 | 7.50% | 166 | 3,41,096 |
| 17.01.2017 | 17.01.2018 | Union Bank | 20,000,000 | 7.50% | 164 | 6,73,973 |
| 23.02.2017 | 23.02.2018 | Jamuna Bank | 10,000,000 | 5.50% | 127 | 1,91,369 |
| Total | | | 120,000,000 | | | 41,93,903 |

16. It is observed that the Company has made some re-arrangements/re-statements of its financial data. Mention the years in which such re-arrangements/re-statements were made, basis and impact on NAV and EPS;

Response to the above:

In finalizing the financial statements for the year ended June 30, 2016 some figures of previous year were restated to conform to the provisions of BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors" due to incorporations of deferred tax liability as BAS-12 and correction of Advance income tax & provision for income tax. The following table shows the impact of re-arrangements/re-statements. There had no any impact on EPS due to restatement of the accounts. The impact on NAV due to restatement is given below:

| Particulars | Impact of | 2015 | 2014 | 2013 |
|-----------------|-----------|-------|-------|-------|
| Before restated | NAV | 69.98 | 60.08 | 55.97 |
| After restated | NAV | 52.55 | 49.65 | 45.54 |

17. Detail list of vehicle as shown in Annexure-A of the accounts for the period ended 30 June, 2017.

Response to the above:

Detail list of transport as shown in Annexure-A of the accounts for the period ended 30 June, 2017 are as follows:

| Sl. No. | Brand Name | Registration No. | User Name | Unit | Original Cost Amount in BDT | W.D.V. as on 30.06.2017 |
|------------|----------------|-------------------|----------------------|--------|-----------------------------|-------------------------|
| Car | | | | | | |
| 1 | Toyota Car | Noa Gha-11-0007 | Zonal Sales Manager | 07 Nos | 8,050,000.00 | 2,012,500.00 |
| 2 | Toyota Car | Dha-M-Ga-15-8767 | Zonal Sales Manager | | | |
| 3 | Toyota Car | Dha-M-Ga-15-7234 | Zonal Sales Manager | | | |
| 4 | Toyota Car | Dha-M-Ga-15-7235 | Zonal Sales Manager | | | |
| 5 | Toyota Car | Dha-M-Ga-15-7236 | Director | | | |
| 6 | Toyota Car | Dha-M-Ga-15-8259 | Director | | | |
| 7 | Toyota Car | Dha-M-Ga-15-8260 | Director | | | |
| 8 | Toyota Car | Dha-M-Kha-12-0547 | Zonal Sales Manager | 08 Nos | 8,160,000.00 | 2,040,000.00 |
| 9 | Toyota Car | Dha-M-Kha-12-0548 | Zonal Sales Manager | | | |
| 10 | Toyota Car | Dha-M-Kha-12-0549 | Zonal Sales Manager | | | |
| 11 | Toyota Car | Dha-M-Kha-12-0550 | Zonal Sales Manager | | | |
| 12 | Toyota Car | Dha-M-Kha-12-4096 | Company CFO | | | |
| 13 | Toyota Car | Dha-M-Kha-12-4097 | Company Secretary | | | |
| 14 | Toyota Car | Dha-M-Kha-12-4098 | Finance Manager | | | |
| 15 | Toyota Car | Dha-M-Kha-12-4099 | Plant Manager | | | |
| 16 | Toyota Premio | Dha-M-Ga-15-0793 | Director | 01 Nos | 1,500,000.00 | 450,000.00 |
| 17 | Toyota Rom | Dha-M-Ga-15-6333 | GM (Sales & Mkt.) | 01 Nos | 1,400,000.00 | 445,000.00 |
| 18 | Toyota Car | Dha-M-Kha-0456 | Distribution Manager | 02 Nos | 1,500,000.00 | 450,000.00 |
| 19 | Toyota Car | Dha-M-Kha-0457 | HR Manager | | | |
| 20 | Toyota Laxsus | Dha-M-Gha-11-5522 | Chairman | 01 Nos | 9,000,000.00 | 2,880,000.00 |
| 21 | Kia Jeep | Dha-M-Gha-13-5365 | Managing Director | 01 Nos | 4,500,000.00 | 1,305,000.00 |
| 22 | Toyota Pick Up | Dha-M-Tha-11-5570 | Delivery Section | 01 Nos | 1,200,000.00 | 384,000.00 |
| 23 | Toyota Pick Up | Dha-M-Ma-51-2851 | Delivery Section | 04 Nos | 4,000,000.00 | 1,210,000.00 |
| 24 | Toyota Pick Up | Dha-M-Ma-51-2852 | Delivery Section | | | |
| 25 | Toyota Pick Up | Dha-M-Ma-51-2865 | Delivery Section | | | |
| 26 | Toyota Pick Up | Dha-M-Ma-51-2866 | Delivery Section | | | |
| 27 | Toyota Pick Up | Dha-M-Ma-51-1697 | Delivery Section | 05 Nos | 4,500,000.00 | 1,575,000.00 |

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| 28 | Toyota Pick Up | Dha-M-Ma-51-2730 | Delivery Section | | | |
| 29 | Toyota Pick Up | Dha-M-Ma-11-5716 | Delivery Section | | | |
| 30 | Toyota Pick Up | Dha-M-Na-11-3500 | Delivery Section | | | |
| 31 | Toyota Pick Up | Dha-M-Ma-11-5717 | Delivery Section | | | |
| 32 | Toyota Pick Up | Dha-M-Tha-11-5715 | Delivery Section | 01 Nos | 1,100,000.00 | 308,000.00 |
| 33 | Toyota Cover Van | Dha-M-Ma-11-0684 | Delivery Section | 01 Nos | 1,500,000.00 | 435,000.00 |
| 34 | Hino Truck | KushtiaTa-11-0833 | Delivery Section | 01 Nos | 2,000,000.00 | 640,000.00 |
| 35 | Toyota Micro | Dha-M-Cha-51-5432 | Accounts Dept. | 01 Nos | 1,200,000.00 | 375,200.00 |
| 36 | Toyota Pick Up | Dha-M-Ma-11-7842 | Delivery Section | 05 Nos | 5,875,000.00 | 4,112,500.00 |
| 37 | Toyota Pick Up | Dha-M-Ma-11-7843 | Delivery Section | | | |
| 38 | Toyota Pick Up | Dha-M-Ma-11-7844 | Delivery Section | | | |
| 39 | Toyota Pick Up | Dha-M-Ma-11-7845 | Delivery Section | | | |
| 40 | Toyota Pick Up | Dha-M-Ma-11-7846 | Delivery Section | | | |
| Motor Cycle | | | | | | |
| 1 | Hiro Honda | Dhaka Metro-Ha-17-3498 | Medical Representative | 293 Nos | 28,335,351.00 | 7,477,551.00 |
| 2 | Hiro Honda | Dhaka Metro-Ha-17-3499 | Medical Representative | | | |
| 3 | Hiro Honda | Dhaka Metro-Ha-17-3500 | Medical Representative | | | |
| 4 | Hiro Honda | Dhaka Metro-Ha-17-3501 | Medical Representative | | | |
| 5 | Hiro Honda | Dhaka Metro-Ha-17-3502 | Medical Representative | | | |
| 6 | Hiro Honda | Dhaka Metro-Ha-17-3503 | Medical Representative | | | |
| 7 | Hiro Honda | Dhaka Metro-Ha-17-3504 | Medical Representative | | | |
| 8 | Hiro Honda | Dhaka Metro-Ha-17-3505 | Medical Representative | | | |
| 9 | Hiro Honda | Dhaka Metro-Ha-17-3506 | Medical Representative | | | |
| 10 | Hiro Honda | Dhaka Metro-Ha-17-3507 | Medical Representative | | | |
| 11 | Hiro Honda | Dhaka Metro-Ha-17-3508 | Medical Representative | | | |
| 12 | Hiro Honda | Dhaka Metro-Ha-17-8022 | Medical Representative | | | |
| 13 | Hiro Honda | Dhaka Metro-Ha-17-8023 | Medical Representative | | | |
| 14 | Hiro Honda | Dhaka Metro-Ha-17-8024 | Medical Representative | | | |

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| 15 | Hiro Honda | Dhaka Metro-Ha-17-8025 | Medical Representative | | |
| 16 | Hiro Honda | Dhaka Metro-Ha-17-8026 | Medical Representative | | |
| 17 | Hiro Honda | Dhaka Metro-Ha-17-8027 | Medical Representative | | |
| 18 | Hiro Honda | Dhaka Metro-Ha-17-8028 | Medical Representative | | |
| 19 | Hiro Honda | Dhaka Metro-Ha-17-8029 | Medical Representative | | |
| 20 | Hiro Honda | Dhaka Metro-Ha-17-8030 | Medical Representative | | |
| 21 | Hiro Honda | Dhaka Metro-Ha-17-8031 | Medical Representative | | |
| 22 | Hiro Honda | Dhaka Metro-Ha-19-0097 | Medical Representative | | |
| 23 | Hiro Honda | Dhaka Metro-Ha-19-0098 | Medical Representative | | |
| 24 | Hiro Honda | Dhaka Metro-Ha-19-0099 | Medical Representative | | |
| 25 | Hiro Honda | Dhaka Metro-Ha-19-0100 | Medical Representative | | |
| 26 | Hiro Honda | Dhaka Metro-Ha-19-0101 | Medical Representative | | |
| 27 | Hiro Honda | Dhaka Metro-Ha-19-0102 | Medical Representative | | |
| 28 | Hiro Honda | Dhaka Metro-Ha-19-0103 | Medical Representative | | |
| 29 | Hiro Honda | Dhaka Metro-Ha-19-0104 | Medical Representative | | |
| 30 | Hiro Honda | Dhaka Metro-Ha-19-0105 | Medical Representative | | |
| 31 | Hiro Honda | Dhaka Metro-Ha-19-0106 | Medical Representative | | |
| 32 | Hiro Honda | Dhaka Metro-Ha-19-5268 | Medical Representative | | |
| 33 | Hiro Honda | Dhaka Metro-Ha-19-5269 | Medical Representative | | |
| 34 | Hiro Honda | Dhaka Metro-Ha-19-5270 | Medical Representative | | |
| 35 | Hiro Honda | Dhaka Metro-Ha-19-5271 | Medical Representative | | |
| 36 | Hiro Honda | Dhaka Metro-Ha-19-5272 | Medical Representative | | |
| 37 | Hiro Honda | Dhaka Metro-Ha-19-5273 | Medical Representative | | |
| 38 | Hiro Honda | Dhaka Metro-Ha-19-5274 | Medical Representative | | |
| 39 | Hiro Honda | Dhaka Metro-Ha-19-5275 | Medical Representative | | |
| 40 | Hiro Honda | Dhaka Metro-Ha-19-5276 | Medical Representative | | |
| 41 | Hiro Honda | Dhaka Metro-Ha-19-5277 | Medical Representative | | |
| 42 | Hiro Honda | Dhaka Metro-Ha-19-5278 | Medical Representative | | |

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| 43 | Hiro Honda | Dhaka Metro-Ha-19-5279 | Medical Representative | | |
| 44 | Hiro Honda | Dhaka Metro-Ha-19-5280 | Medical Representative | | |
| 45 | Hiro Honda | Dhaka Metro-Ha-19-5281 | Medical Representative | | |
| 46 | Hiro Honda | Dhaka Metro-Ha-19-5282 | Medical Representative | | |
| 47 | Hiro Honda | Dhaka Metro-Ha-19-5283 | Medical Representative | | |
| 48 | Hiro Honda | Dhaka Metro-Ha-19-5284 | Medical Representative | | |
| 49 | Hiro Honda | Dhaka Metro-Ha-19-5285 | Medical Representative | | |
| 50 | Hiro Honda | Dhaka Metro-Ha-19-5286 | Medical Representative | | |
| 51 | Hiro Honda | Dhaka Metro-Ha-19-5287 | Medical Representative | | |
| 52 | Hiro Honda | Dhaka Metro-Ha-19-5288 | Medical Representative | | |
| 53 | Hiro Honda | Dhaka Metro-Ha-19-5289 | Medical Representative | | |
| 54 | Hiro Honda | Dhaka Metro-Ha-19-5290 | Medical Representative | | |
| 55 | Hiro Honda | Dhaka Metro-Ha-19-5291 | Medical Representative | | |
| 56 | Hiro Honda | Dhaka Metro-Ha-19-5292 | Medical Representative | | |
| 57 | Hiro Honda | Dhaka Metro-Ha-19-5293 | Medical Representative | | |
| 58 | Hiro Honda | Dhaka Metro-Ha-19-5294 | Medical Representative | | |
| 59 | Hiro Honda | Dhaka Metro-Ha-19-5295 | Medical Representative | | |
| 60 | Hiro Honda | Dhaka Metro-Ha-19-5296 | Medical Representative | | |
| 61 | Hiro Honda | Dhaka Metro-Ha-19-5297 | Medical Representative | | |
| 62 | Hiro Honda | Dhaka Metro-Ha-19-6529 | Medical Representative | | |
| 63 | Hiro Honda | Dhaka Metro-Ha-19-6530 | Medical Representative | | |
| 64 | Hiro Honda | Dhaka Metro-Ha-19-6531 | Medical Representative | | |
| 65 | Hiro Honda | Dhaka Metro-Ha-19-7774 | Medical Representative | | |
| 66 | Hiro Honda | Dhaka Metro-Ha-19-7775 | Medical Representative | | |
| 67 | Hiro Honda | Dhaka Metro-Ha-19-7776 | Medical Representative | | |
| 68 | Hiro Honda | Dhaka Metro-Ha-19-7905 | Medical Representative | | |
| 69 | Hiro Honda | Dhaka Metro-Ha-19-7906 | Medical Representative | | |
| 70 | Hiro Honda | Dhaka Metro-Ha-19-8322 | Medical Representative | | |

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| 71 | Hiro Honda | Dhaka Metro-Ha-19-8323 | Medical Representative | | |
| 72 | Hiro Honda | Dhaka Metro-Ha-19-8324 | Medical Representative | | |
| 73 | Hiro Honda | Dhaka Metro-Ha-19-8325 | Medical Representative | | |
| 74 | Hiro Honda | Dhaka Metro-Ha-19-8326 | Medical Representative | | |
| 75 | Hiro Honda | Dhaka Metro-Ha-21-0506 | Medical Representative | | |
| 76 | Hiro Honda | Dhaka Metro-Ha-21-0710 | Medical Representative | | |
| 77 | Hiro Honda | Dhaka Metro-Ha-21-0711 | Medical Representative | | |
| 78 | Hiro Honda | Dhaka Metro-Ha-21-0712 | Medical Representative | | |
| 79 | Hiro Honda | Dhaka Metro-Ha-21-0713 | Medical Representative | | |
| 80 | Hiro Honda | Dhaka Metro-Ha-21-0714 | Medical Representative | | |
| 81 | Hiro Honda | Dhaka Metro-Ha-21-0715 | Medical Representative | | |
| 82 | Hiro Honda | Dhaka Metro-Ha-21-0716 | Medical Representative | | |
| 83 | Hiro Honda | Dhaka Metro-Ha-21-0717 | Medical Representative | | |
| 84 | Hiro Honda | Dhaka Metro-Ha-21-0718 | Medical Representative | | |
| 85 | Hiro Honda | Dhaka Metro-Ha-21-0719 | Medical Representative | | |
| 86 | Hiro Honda | Dhaka Metro-Ha-21-0720 | Medical Representative | | |
| 87 | Hiro Honda | Dhaka Metro-Ha-21-0721 | Medical Representative | | |
| 88 | Hiro Honda | Dhaka Metro-Ha-21-0722 | Medical Representative | | |
| 89 | Hiro Honda | Dhaka Metro-Ha-21-0723 | Medical Representative | | |
| 90 | Hiro Honda | Dhaka Metro-Ha-21-0724 | Medical Representative | | |
| 91 | Hiro Honda | Dhaka Metro-Ha-21-1959 | Medical Representative | | |
| 92 | Hiro Honda | Dhaka Metro-Ha-21-1960 | Medical Representative | | |
| 93 | Hiro Honda | Dhaka Metro-Ha-21-1961 | Medical Representative | | |
| 94 | Hiro Honda | Dhaka Metro-Ha-21-1962 | Medical Representative | | |
| 95 | Hiro Honda | Dhaka Metro-Ha-21-1963 | Medical Representative | | |
| 96 | Hiro Honda | Dhaka Metro-Ha-21-1964 | Medical Representative | | |
| 97 | Hiro Honda | Dhaka Metro-Ha-21-1965 | Medical Representative | | |
| 98 | Hiro Honda | Dhaka Metro-Ha-21-1966 | Medical Representative | | |

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| 99 | Hiro Honda | Dhaka Metro-Ha-21-1967 | Medical Representative | | | |
| 100 | Hiro Honda | Dhaka Metro-Ha-21-1968 | Medical Representative | | | |
| 101 | Hiro Honda | Dhaka Metro-Ha-21-2327 | Medical Representative | | | |
| 102 | Hiro Honda | Dhaka Metro-Ha-21-2328 | Medical Representative | | | |
| 103 | Hiro Honda | Dhaka Metro-Ha-21-2329 | Medical Representative | | | |
| 104 | Hiro Honda | Dhaka Metro-Ha-21-6853 | Medical Representative | | | |
| 105 | Hiro Honda | Dhaka Metro-Ha-21-6854 | Medical Representative | | | |
| 106 | Hiro Honda | Dhaka Metro-Ha-21-6855 | Medical Representative | | | |
| 107 | Hiro Honda | Dhaka Metro-Ha-21-6856 | Medical Representative | | | |
| 108 | Hiro Honda | Dhaka Metro-Ha-21-6857 | Medical Representative | | | |
| 109 | Hiro Honda | Dhaka Metro-Ha-21-6858 | Medical Representative | | | |
| 110 | Hiro Honda | Dhaka Metro-Ha-21-6859 | Medical Representative | | | |
| 111 | Hiro Honda | Dhaka Metro-Ha-21-6860 | Medical Representative | | | |
| 112 | Hiro Honda | Dhaka Metro-Ha-21-6861 | Medical Representative | | | |
| 113 | Hiro Honda | Dhaka Metro-Ha-21-6862 | Medical Representative | | | |
| 114 | Hiro Honda | Dhaka Metro-Ha-21-6863 | Medical Representative | | | |
| 115 | Hiro Honda | Dhaka Metro-Ha-21-6864 | Medical Representative | | | |
| 116 | Hiro Honda | Dhaka Metro-Ha-21-6865 | Medical Representative | | | |
| 117 | Hiro Honda | Dhaka Metro-Ha-21-6866 | Medical Representative | | | |
| 118 | Hiro Honda | Dhaka Metro-Ha-21-6867 | Medical Representative | | | |
| 119 | Hiro Honda | Dhaka Metro-Ha-21-6868 | Medical Representative | | | |
| 120 | Hiro Honda | Dhaka Metro-Ha-21-6869 | Medical Representative | | | |
| 121 | Hiro Honda | Dhaka Metro-Ha-21-6870 | Medical Representative | | | |
| 122 | Hiro Honda | Dhaka Metro-Ha-21-6871 | Medical Representative | | | |
| 123 | Hiro Honda | Dhaka Metro-Ha-21-6872 | Medical Representative | | | |
| 124 | Hiro Honda | Dhaka Metro-Ha-21-6873 | Medical Representative | | | |
| 125 | Hiro Honda | Dhaka Metro-Ha-21-6874 | Medical Representative | | | |
| 126 | Hiro Honda | Dhaka Metro-Ha-21-6875 | Medical Representative | | | |

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| 127 | Hiro Honda | Dhaka Metro-Ha-21-6876 | Medical Representative | | | |
| 128 | Hiro Honda | Dhaka Metro-Ha-21-7176 | Medical Representative | | | |
| 129 | Hiro Honda | Dhaka Metro-Ha-21-7177 | Medical Representative | | | |
| 130 | Hiro Honda | Dhaka Metro-Ha-21-7178 | Medical Representative | | | |
| 131 | Hiro Honda | Dhaka Metro-Ha-21-7179 | Medical Representative | | | |
| 132 | Hiro Honda | Dhaka Metro-Ha-21-7180 | Medical Representative | | | |
| 133 | Hiro Honda | Dhaka Metro-Ha-21-7181 | Medical Representative | | | |
| 134 | Hiro Honda | Dhaka Metro-Ha-21-7182 | Medical Representative | | | |
| 135 | Hiro Honda | Dhaka Metro-Ha-21-7183 | Medical Representative | | | |
| 136 | Hiro Honda | Dhaka Metro-Ha-21-7184 | Medical Representative | | | |
| 137 | Hiro Honda | Dhaka Metro-Ha-21-7185 | Medical Representative | | | |
| 138 | Hiro Honda | Dhaka Metro-Ha-21-7186 | Medical Representative | | | |
| 139 | Hiro Honda | Dhaka Metro-Ha-21-7187 | Medical Representative | | | |
| 140 | Hiro Honda | Dhaka Metro-Ha-21-7188 | Medical Representative | | | |
| 141 | Hiro Honda | Dhaka Metro-Ha-21-7189 | Medical Representative | | | |
| 142 | Hiro Honda | Dhaka Metro-Ha-21-7190 | Medical Representative | | | |
| 143 | Hiro Honda | Dhaka Metro-Ha-21-7835 | Medical Representative | | | |
| 144 | Hiro Honda | Dhaka Metro-Ha-21-7836 | Medical Representative | | | |
| 145 | Hiro Honda | Dhaka Metro-Ha-21-7837 | Medical Representative | | | |
| 146 | Hiro Honda | Dhaka Metro-Ha-21-7838 | Medical Representative | | | |
| 147 | Hiro Honda | Dhaka Metro-Ha-21-7839 | Medical Representative | | | |
| 148 | Hiro Honda | Dhaka Metro-Ha-21-7840 | Medical Representative | | | |
| 149 | Hiro Honda | Dhaka Metro-Ha-21-7841 | Medical Representative | | | |
| 150 | Hiro Honda | Dhaka Metro-Ha-21-7842 | Medical Representative | | | |
| 151 | Hiro Honda | Dhaka Metro-Ha-21-7843 | Medical Representative | | | |
| 152 | Hiro Honda | Dhaka Metro-Ha-21-7844 | Medical Representative | | | |
| 153 | Hiro Honda | Dhaka Metro-Ha-21-7845 | Medical Representative | | | |
| 154 | Hiro Honda | Dhaka Metro-Ha-21-7846 | Medical Representative | | | |

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| 155 | Hiro Honda | Dhaka Metro-Ha-21-7847 | Medical Representative | | | |
| 156 | Hiro Honda | Dhaka Metro-Ha-21-7848 | Medical Representative | | | |
| 157 | Hiro Honda | Dhaka Metro-Ha-21-7849 | Medical Representative | | | |
| 158 | Hiro Honda | Dhaka Metro-Ha-21-7850 | Medical Representative | | | |
| 159 | Hiro Honda | Dhaka Metro-Ha-21-7851 | Medical Representative | | | |
| 160 | Hiro Honda | Dhaka Metro-Ha-21-7852 | Medical Representative | | | |
| 161 | Hiro Honda | Dhaka Metro-Ha-21-7853 | Medical Representative | | | |
| 162 | Hiro Honda | Dhaka Metro-Ha-21-8091 | Medical Representative | | | |
| 163 | Hiro Honda | Dhaka Metro-Ha-21-8092 | Medical Representative | | | |
| 164 | Hiro Honda | Dhaka Metro-Ha-21-8093 | Medical Representative | | | |
| 165 | Hiro Honda | Dhaka Metro-Ha-21-8094 | Medical Representative | | | |
| 166 | Hiro Honda | Dhaka Metro-Ha-21-8095 | Medical Representative | | | |
| 167 | Hiro Honda | Dhaka Metro-Ha-21-8096 | Medical Representative | | | |
| 168 | Hiro Honda | Dhaka Metro-Ha-21-8097 | Medical Representative | | | |
| 169 | Hiro Honda | Dhaka Metro-Ha-21-8098 | Medical Representative | | | |
| 170 | Hiro Honda | Dhaka Metro-Ha-21-8099 | Medical Representative | | | |
| 171 | Hiro Honda | Dhaka Metro-Ha-21-8100 | Medical Representative | | | |
| 172 | Hiro Honda | Dhaka Metro-Ha-21-8101 | Medical Representative | | | |
| 173 | Hiro Honda | Dhaka Metro-Ha-21-8102 | Medical Representative | | | |
| 174 | Hiro Honda | Dhaka Metro-Ha-21-8103 | Medical Representative | | | |
| 175 | Hiro Honda | Dhaka Metro-Ha-21-8104 | Medical Representative | | | |
| 176 | Hiro Honda | Dhaka Metro-Ha-21-8105 | Medical Representative | | | |
| 177 | Hiro Honda | Dhaka Metro-Ha-21-8106 | Medical Representative | | | |
| 178 | Hiro Honda | Dhaka Metro-Ha-21-8107 | Medical Representative | | | |
| 179 | Hiro Honda | Dhaka Metro-Ha-21-8108 | Medical Representative | | | |
| 180 | Hiro Honda | Dhaka Metro-Ha-21-8109 | Medical Representative | | | |
| 181 | Hiro Honda | Dhaka Metro-Ha-21-8110 | Medical Representative | | | |
| 182 | Hiro Honda | Dhaka Metro-Ha-21-8111 | Medical Representative | | | |

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| 183 | Hiro Honda | Dhaka Metro-Ha-21-8112 | Medical Representative | | | |
| 184 | Hiro Honda | Dhaka Metro-Ha-21-8113 | Medical Representative | | | |
| 185 | Hiro Honda | Dhaka Metro-Ha-21-8114 | Medical Representative | | | |
| 186 | Hiro Honda | Dhaka Metro-Ha-21-8115 | Medical Representative | | | |
| 187 | Hiro Honda | Dhaka Metro-Ha-21-8116 | Medical Representative | | | |
| 188 | Hiro Honda | Dhaka Metro-Ha-21-8117 | Medical Representative | | | |
| 189 | Hiro Honda | Dhaka Metro-Ha-21-8118 | Medical Representative | | | |
| 190 | Hiro Honda | Dhaka Metro-Ha-21-8119 | Medical Representative | | | |
| 191 | Hiro Honda | Dhaka Metro-Ha-21-8120 | Medical Representative | | | |
| 192 | Hiro Honda | Dhaka Metro-Ha-21-8121 | Medical Representative | | | |
| 193 | Hiro Honda | Dhaka Metro-Ha-21-8122 | Medical Representative | | | |
| 194 | Hiro Honda | Dhaka Metro-Ha-21-8123 | Medical Representative | | | |
| 195 | Hiro Honda | Dhaka Metro-Ha-21-8124 | Medical Representative | | | |
| 196 | Hiro Honda | Dhaka Metro-Ha-21-8125 | Medical Representative | | | |
| 197 | Hiro Honda | Dhaka Metro-Ha-21-8126 | Medical Representative | | | |
| 198 | Hiro Honda | Dhaka Metro-Ha-21-8127 | Medical Representative | | | |
| 199 | Hiro Honda | Dhaka Metro-Ha-21-8128 | Medical Representative | | | |
| 200 | Hiro Honda | Dhaka Metro-Ha-21-8129 | Medical Representative | | | |
| 201 | Hiro Honda | Dhaka Metro-Ha-21-8130 | Medical Representative | | | |
| 202 | Hiro Honda | Dhaka Metro-Ha-21-8131 | Medical Representative | | | |
| 203 | Hiro Honda | Dhaka Metro-Ha-21-8132 | Medical Representative | | | |
| 204 | Hiro Honda | Dhaka Metro-Ha-27-2038 | Medical Representative | | | |
| 205 | Hiro Honda | Dhaka Metro-Ha-27-2040 | Medical Representative | | | |
| 206 | Hiro Honda | Dhaka Metro-Ha-27-2041 | Medical Representative | | | |
| 207 | Hiro Honda | Dhaka Metro-Ha-27-2042 | Medical Representative | | | |
| 208 | Hiro Honda | Dhaka Metro-Ha-27-2043 | Medical Representative | | | |
| 209 | Hiro Honda | Dhaka Metro-Ha-27-2044 | Medical Representative | | | |
| 210 | Hiro Honda | Dhaka Metro-Ha-27-2045 | Medical Representative | | | |

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| 211 | Hiro Honda | Dhaka Metro-Ha-27-2046 | Medical Representative | | | |
| 212 | Hiro Honda | Dhaka Metro-Ha-27-2047 | Medical Representative | | | |
| 213 | Hiro Honda | Dhaka Metro-Ha-27-2048 | Medical Representative | | | |
| 214 | Hiro Honda | Dhaka Metro-Ha-27-2049 | Medical Representative | | | |
| 215 | Hiro Honda | Dhaka Metro-Ha-27-2050 | Medical Representative | | | |
| 216 | Hiro Honda | Dhaka Metro-Ha-27-2051 | Medical Representative | | | |
| 217 | Hiro Honda | Dhaka Metro-Ha-27-2052 | Medical Representative | | | |
| 218 | Hiro Honda | Dhaka Metro-Ha-27-2053 | Medical Representative | | | |
| 219 | Hiro Honda | Dhaka Metro-Ha-27-2054 | Medical Representative | | | |
| 220 | Hiro Honda | Dhaka Metro-Ha-27-2055 | Medical Representative | | | |
| 221 | Hiro Honda | Dhaka Metro-Ha-27-2056 | Medical Representative | | | |
| 222 | Hiro Honda | Dhaka Metro-Ha-27-2057 | Medical Representative | | | |
| 223 | Hiro Honda | Dhaka Metro-Ha-27-2058 | Medical Representative | | | |
| 224 | Hiro Honda | Dhaka Metro-Ha-27-2059 | Medical Representative | | | |
| 225 | Hiro Honda | Dhaka Metro-Ha-27-2060 | Medical Representative | | | |
| 226 | Hiro Honda | Dhaka Metro-Ha-27-2061 | Medical Representative | | | |
| 227 | Hiro Honda | Dhaka Metro-Ha-27-2062 | Medical Representative | | | |
| 228 | Hiro Honda | Dhaka Metro-Ha-27-2063 | Medical Representative | | | |
| 229 | Hiro Honda | Dhaka Metro-Ha-27-2064 | Medical Representative | | | |
| 230 | Hiro Honda | Dhaka Metro-Ha-27-2065 | Medical Representative | | | |
| 231 | Hiro Honda | Dhaka Metro-Ha-27-2066 | Medical Representative | | | |
| 232 | Hiro Honda | Dhaka Metro-Ha-27-2067 | Medical Representative | | | |
| 233 | Hiro Honda | Dhaka Metro-Ha-27-2068 | Medical Representative | | | |
| 234 | Hiro Honda | Dhaka Metro-Ha-27-2069 | Medical Representative | | | |
| 235 | Hiro Honda | Dhaka Metro-Ha-27-2070 | Medical Representative | | | |
| 236 | Hiro Honda | Dhaka Metro-Ha-27-2071 | Medical Representative | | | |
| 237 | Hiro Honda | Dhaka Metro-Ha-27-2072 | Medical Representative | | | |
| 238 | Hiro Honda | Dhaka Metro-Ha-27-2073 | Medical Representative | | | |

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| 239 | Hiro Honda | Dhaka Metro-Ha-27-2074 | Medical Representative | | | |
| 240 | Hiro Honda | Dhaka Metro-Ha-27-2075 | Medical Representative | | | |
| 241 | Hiro Honda | Dhaka Metro-Ha-27-2076 | Medical Representative | | | |
| 242 | Hiro Honda | Dhaka Metro-Ha-27-2077 | Medical Representative | | | |
| 243 | Hiro Honda | Dhaka Metro-Ha-27-2078 | Medical Representative | | | |
| 244 | Hiro Honda | Dhaka Metro-Ha-27-2079 | Medical Representative | | | |
| 245 | Hiro Honda | Dhaka Metro-Ha-27-2080 | Medical Representative | | | |
| 246 | Hiro Honda | Dhaka Metro-Ha-27-2081 | Medical Representative | | | |
| 247 | Hiro Honda | Dhaka Metro-Ha-27-2082 | Medical Representative | | | |
| 248 | Hiro Honda | Dhaka Metro-Ha-27-2083 | Medical Representative | | | |
| 249 | Hiro Honda | Dhaka Metro-Ha-27-2084 | Medical Representative | | | |
| 250 | Hiro Honda | Dhaka Metro-Ha-27-2085 | Medical Representative | | | |
| 251 | Hiro Honda | Dhaka Metro-Ha-27-2086 | Medical Representative | | | |
| 252 | Hiro Honda | Dhaka Metro-Ha-27-2087 | Medical Representative | | | |
| 253 | Hiro Honda | Dhaka Metro-Ha-27-2088 | Medical Representative | | | |
| 254 | Hiro Honda | Dhaka Metro-Ha-29-8279 | Medical Representative | | | |
| 255 | Hiro Honda | Dhaka Metro-Ha-29-8280 | Medical Representative | | | |
| 256 | Hiro Honda | Dhaka Metro-Ha-29-8281 | Medical Representative | | | |
| 257 | Hiro Honda | Dhaka Metro-Ha-29-8282 | Medical Representative | | | |
| 258 | Hiro Honda | Dhaka Metro-Ha-29-8283 | Medical Representative | | | |
| 259 | Hiro Honda | Dhaka Metro-Ha-29-8284 | Medical Representative | | | |
| 260 | Hiro Honda | Dhaka Metro-Ha-29-8285 | Medical Representative | | | |
| 261 | Hiro Honda | Dhaka Metro-Ha-29-8286 | Medical Representative | | | |
| 262 | Hiro Honda | Dhaka Metro-Ha-29-8287 | Medical Representative | | | |
| 263 | Hiro Honda | Dhaka Metro-Ha-29-8289 | Medical Representative | | | |
| 264 | Hiro Honda | Dhaka Metro-Ha-31-0557 | Medical Representative | | | |
| 265 | Hiro Honda | Dhaka Metro-Ha-31-0588 | Medical Representative | | | |
| 266 | Hiro Honda | Dhaka Metro-Ha-31-0589 | Medical Representative | | | |

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| 267 | Hiro Honda | Dhaka Metro-Ha-31-0590 | Medical Representative | | |
| 268 | Hiro Honda | Dhaka Metro-Ha-31-0590 | Medical Representative | | |
| 269 | Hiro Honda | Dhaka Metro-Ha-32-0252 | Medical Representative | | |
| 270 | Hiro Honda | Dhaka Metro-Ha-32-0253 | Medical Representative | | |
| 271 | Hiro Honda | Dhaka Metro-Ha-32-0254 | Medical Representative | | |
| 272 | Hiro Honda | Dhaka Metro-Ha-32-0255 | Medical Representative | | |
| 273 | Hiro Honda | Dhaka Metro-Ha-32-0256 | Medical Representative | | |
| 274 | Hiro Honda | Dhaka Metro-Ha-32-0257 | Medical Representative | | |
| 275 | Hiro Honda | Dhaka Metro-Ha-32-0258 | Medical Representative | | |
| 276 | Hiro Honda | Dhaka Metro-Ha-32-0259 | Medical Representative | | |
| 277 | Hiro Honda | Dhaka Metro-Ha-32-0260 | Medical Representative | | |
| 278 | Hiro Honda | Dhaka Metro-Ha-32-0261 | Medical Representative | | |
| 279 | Hiro Honda | Dhaka Metro-Ha-32-0262 | Medical Representative | | |
| 280 | Hiro Honda | Dhaka Metro-Ha-32-0263 | Medical Representative | | |
| 281 | Hiro Honda | Dhaka Metro-Ha-32-0264 | Medical Representative | | |
| 282 | Hiro Honda | Dhaka Metro-Ha-32-0265 | Medical Representative | | |
| 283 | Hiro Honda | Dhaka Metro-Ha-32-0266 | Medical Representative | | |
| 284 | Hiro Honda | Dhaka Metro-Ha-32-0267 | Medical Representative | | |
| 285 | Hiro Honda | Dhaka Metro-Ha-32-0268 | Medical Representative | | |
| 286 | Hiro Honda | Dhaka Metro-Ha-32-0269 | Medical Representative | | |
| 287 | Hiro Honda | Dhaka Metro-Ha-32-0270 | Medical Representative | | |
| 288 | Hiro Honda | Dhaka Metro-Ha-32-0271 | Medical Representative | | |
| 289 | Hiro Honda | Dhaka Metro-Ha-32-0272 | Medical Representative | | |
| 290 | Hiro Honda | Dhaka Metro-Ha-32-0273 | Medical Representative | | |
| 291 | Hiro Honda | Dhaka Metro-Ha-32-0274 | Medical Representative | | |
| 292 | Hiro Honda | Dhaka Metro-Ha-32-0275 | Medical Representative | | |
| 293 | Hiro Honda | Dhaka Metro-Ha-32-0276 | Medical Representative | | |
| Total | | | | | 83,820,351.00 |
| | | | | | 26,099,751.00 |

18. Break-up of cash payment to others as on 30.06.2017 is to be provided;

Response to the above:

Break-up of cash payment to others as on 30.06.2017 is as follows:

| Particulars | (Amount in Tk.) 30/06/2017 |
|--|-------------------------------|
| Cash Paid to Others | |
| Printing & Stationery | 552,870 |
| Phone, Fax and Mobile Bill | 201,818 |
| Postage & Stamps | 91,388 |
| Tours and Travelling Expenses | 190,868 |
| Utility Bill | 1,229,045 |
| Entertainment | 168,612 |
| Medical & Welfare Expenses | 168,100 |
| Licenses Renewal and Registration Fee | 127,500 |
| Audit Fees | 115,000 |
| Office Rent | 1,737,156 |
| Repairs & Maintenance | 410,059 |
| RJSC Exp. | 6,980 |
| Bank Charge & Commission | 354,646 |
| Transportation & Handling Expenses | 2,004,266 |
| Advertisement Expenses | 140,414 |
| Repair & Maintenance | 616,523 |
| Traveling Expenses | 638,041 |
| Phone, Fax and Mobile Bill | 89,630 |
| Sample Expenses | 4,693,878 |
| Consumption of promotional materials | 18,369,030 |
| Postage & Courier | 170,322 |
| Entertainment | 388,364 |
| Printing & Stationery | 477,614 |
| Training Expenses | 348,823 |
| Other financial Charge | 48,505 |
| Office Rent | 2,367,480 |
| Vehicle Maintenance | 624,156 |
| Loading & Unloading | 498,404 |
| License fees & Renewals | 87,175 |
| | 36,916,667 |
| Add: Opening Other accrued Liabilities for Expenses | 563,966 |
| Less: Closing Other accrued Liabilities for Expenses | (634,761) |
| | 36,845,872 |
| Add: Closing Other Advance deposit & prepayment | 16,152,337 |
| Less: Opening Other Advance deposit & prepayment | (4,511,814) |
| Cash payments to others | 48,486,395 |

19. Month-wise gross sales & amount of VAT;

Response to the above:

The month-wise gross sales& amount of VAT for the period ended 30 June, 2017 is as follows:

| Sl. No. | Month | Amount of Gross Sales (in Taka) | Amount of VAT (in Taka) | Net Sales (in Taka) |
|--------------|-----------------|------------------------------------|----------------------------|------------------------|
| 1 | July, 2016 | 61,751,729.54 | 8,054,573.42 | 47,381,237.20 |
| 2 | August, 2016 | 62,311,094.69 | 8,127,534.09 | 47,810,430.25 |
| 3 | September, 2016 | 60,758,131.97 | 7,924,973.73 | 46,618,863.70 |
| 4 | October, 2016 | 62,975,798.41 | 8,214,234.57 | 48,320,448.10 |
| 5 | November, 2016 | 60,901,880.19 | 7,943,723.50 | 46,729,159.70 |
| 6 | December, 2016 | 59,096,459.64 | 7,708,233.87 | 45,343,885.80 |
| 7 | January, 2017 | 65,198,918.55 | 8,504,206.77 | 50,026,217.05 |
| 8 | February, 2017 | 65,477,779.69 | 8,540,579.96 | 50,240,183.30 |
| 9 | March, 2017 | 66,178,238.78 | 8,631,944.19 | 50,777,635.75 |
| 10 | April, 2017 | 73,304,928.56 | 9,561,512.42 | 56,245,845.00 |
| 11 | May, 2017 | 75,936,928.90 | 9,904,816.81 | 58,265,342.00 |
| 12 | June, 2017 | 71,332,390.47 | 9,304,224.84 | 54,732,344.15 |
| Total | | 785,224,279.40 | 102,420,558.18 | 602,491,592.00 |

20. Confirm that the company produces only those medicine as permitted by the Drug Authority vide Annexure I & II of the updated drug license;

Response to the above:

In the course of our audit we have checked the documents related to permission obtained from the Drug Authority for the products item, we have found that the company produces only those medicines as permitted by Drug Authority vide annexure I & II as per updated drug license.

21. Detailed calculation of deferred tax liabilities as show in note 15.00 of the audited accounts;

Response to the above:

Detailed calculation of deferred tax liabilities as on 30 June, 2017 is as follows:

| | |
|--|--------------------------|
| Written Down Value of Non-Current Assets as per accounts | 706,738,552 |
| Written Down Value of Non-Current Assets as per Tax base | 460,935,049 |
| Taxable Temporary Difference | <u>245,803,503</u> |
| Effective Tax Rate | 35% |
| Current year Deferred Tax Liabilities | <u><u>86,031,226</u></u> |

The Tax Base Fixed Assets schedule is given below:

| Particulars | Cost | | | Rate (%) | Depreciation | | | Written Down Value as at 30 June, 2017 |
|--------------------------------|-----------------------------|----------------------------|-----------------------------|----------|-----------------------------|--------------------------|-----------------------------|--|
| | Balance as on 01 July, 2016 | Addition during the period | Balance as on 30 June, 2017 | | Balance as on 01 July, 2016 | Charge during the period | Balance as on 30 June, 2017 | |
| Land & Land Development | 81,659,667 | - | 81,659,667 | 0% | - | - | - | 81,659,667 |
| Plant & Machinery | 536,697,545 | 44,618,148 | 581,315,693 | 20% | 381,115,943 | 40,039,950 | 421,155,893 | 160,159,800 |
| Generator | 12,396,170 | - | 12,396,170 | 20% | 10,090,733 | 461,087 | 10,551,820 | 1,844,350 |
| Building Renovation Decoration | 33,885,191 | - | 33,885,191 | 20% | 27,735,233 | 1,229,992 | 28,965,225 | 4,919,966 |
| Electrical Installation | 4,300,101 | - | 4,300,101 | 20% | 3,557,834 | 148,453 | 3,706,287 | 593,814 |
| Gas Installation | 389,890 | - | 389,890 | 20% | 330,741 | 11,830 | 342,571 | 47,319 |
| Office Equipment | 26,868,154 | 1,818,363 | 28,686,517 | 20% | 17,001,882 | 2,336,927 | 19,338,809 | 9,347,708 |
| Factory Equipment | 27,499,742 | 6,233,095 | 33,732,837 | 10% | 11,909,273 | 2,182,356 | 14,091,629 | 19,641,208 |
| Furniture and Fixture | 27,317,896 | 3,557,500 | 30,875,396 | 10% | 14,170,498 | 1,670,490 | 15,840,988 | 15,034,408 |
| Vehicle | 70,524,901 | 13,295,450 | 83,820,351 | 20% | 54,546,401 | 5,854,790 | 60,401,191 | 23,419,160 |
| Power House | 1,195,705 | - | 1,195,705 | 20% | 1,008,927 | 37,356 | 1,046,283 | 149,422 |
| Laboratory Equipment | 25,882,905 | 3,137,557 | 29,020,462 | 20% | 18,426,038 | 2,118,885 | 20,544,923 | 8,475,539 |
| Factory Building | 249,907,540 | - | 249,907,540 | 10% | 99,193,442 | 15,071,410 | 114,264,852 | 135,642,688 |
| Total | 1,098,525,407 | 72,660,113 | 1,171,185,520 | | 639,086,945 | 71,163,526 | 710,250,471 | 460,935,049 |

22. Separate disclosures of Finished Goods & Work-In-Process as shown in note 6 & 20 with quantity wise information;

Response to the above:

Separate disclosures with quantity wise information regarding finished goods and work-in-process as on 30 June, 2017 is as follows:

Finished Goods:

| Sl. No. | Name of the Product | Unit | Quantity | Rate | Amount in Taka |
|---------|------------------------------|------|----------|--------|----------------|
| 1 | Actisal 1 Tablet | Pcs | 10875 | 18.050 | 196,293.75 |
| 2 | Actisal 2 Tablet | Pcs | 42178 | 24.600 | 1,037,578.80 |
| 3 | Actisal Syrup 100 ml | Phs | 18348 | 16.550 | 303,659.40 |
| 4 | Actisal Syrup 50 ml | Phs | 22211 | 11.110 | 246,764.21 |
| 5 | Actulose Oral Solution 100ml | Phs | 25125 | 40.300 | 1,012,537.50 |
| 6 | Actulose Oral Solution 200ml | Phs | 135322 | 76.450 | 10,345,366.90 |
| 7 | Aerodyl 10 Tablet | Pcs | 14572 | 55.310 | 805,977.32 |
| 8 | Aerodyl 20 Tablet | Pcs | 29422 | 91.790 | 2,700,645.38 |
| 9 | Aerodyl Oral Solution | Phs | 18163 | 13.120 | 238,298.56 |
| 10 | Aerofen Syrup | Phs | 5327 | 24.88 | 132,535.76 |
| 11 | Aerofen Tablet | Pcs | 9252 | 16.030 | 148,309.56 |
| 12 | Alvital Tablet(30's) | Pcs | 35687 | 53.92 | 1,924,243.04 |
| 13 | Alvolex Syrup | Phs | 71622 | 16.170 | 1,158,127.74 |
| 14 | Ambosil Paediatric Drops | Phs | 15235 | 8.120 | 123,708.20 |
| 15 | Ambosil Syrup 100 ml | Phs | 10198 | 50.51 | 515,100.98 |
| 16 | Anfasil 150 Capsule | Pcs | 7264 | 23.020 | 167,217.28 |
| 17 | Anfasil 50 Capsule | Pcs | 5321 | 28.040 | 149,200.84 |
| 18 | Anfasil PFS | Phs | 6254 | 12.360 | 77,299.44 |
| 19 | Arnex 500 Tablet | Pcs | 7125 | 67.080 | 477,945.00 |

| | | | | | |
|----|---------------------------|-----|-------|---------|--------------|
| 20 | Atechlor 100 Tablet | Pcs | 9005 | 37.420 | 336,967.10 |
| 21 | Atechlor 50 Tablet | Pcs | 9222 | 33.600 | 309,859.20 |
| 22 | Calsil 500 Tablet | Pcs | 9488 | 16.470 | 156,267.36 |
| 23 | Calsil M Tablet (30's) | Pcs | 31265 | 16.270 | 508,681.55 |
| 24 | Calsil Plus Tablet (30's) | Pcs | 9545 | 34.28 | 327,202.60 |
| 25 | Calsil Plus Tablet (60's) | Pcs | 29564 | 65.50 | 1,936,442.00 |
| 26 | Calsil Plus Tablet(15's) | Pcs | 37624 | 21.35 | 803,422.90 |
| 27 | Capcee TR Capsule | Pcs | 5120 | 60.510 | 309,811.20 |
| 28 | Cartil Tablet | Pcs | 8562 | 43.940 | 376,214.28 |
| 29 | Cesil Syrup 60ml | Phs | 15693 | 11.680 | 183,294.24 |
| 30 | Cesil Tablet | Pcs | 9875 | 17.590 | 173,701.25 |
| 31 | Cipronil PFS 60 ml | Phs | 7546 | 39.490 | 297,991.54 |
| 32 | Cipronil-500 Tablet | Pcs | 41862 | 69.07 | 2,891,408.34 |
| 33 | Cipronil-750 Tablet | Pcs | 7255 | 36.890 | 267,636.95 |
| 34 | Codlivit Syrup 100 ml | Phs | 9964 | 20.670 | 205,955.88 |
| 35 | Codlivit Syrup 200 ml | Phs | 10040 | 36.090 | 362,343.60 |
| 36 | Devomit Tablet | Pcs | 15546 | 38.80 | 603,184.80 |
| 37 | Domsil DT | Pcs | 21620 | 75.83 | 1,639,444.60 |
| 38 | Domsil Suspension 100ml | Phs | 10458 | 15.860 | 165,863.88 |
| 39 | Domsil Suspension 60ml | Phs | 21514 | 11.100 | 238,805.40 |
| 40 | Domsil Tablet | Pcs | 10558 | 27.680 | 292,245.44 |
| 41 | Duet Tablet (Regular) | Pcs | 6427 | 141.65 | 910,384.55 |
| 42 | Duet Tablet(Display) | Pcs | 19553 | 115.010 | 2,248,790.53 |
| 43 | Esypan 0.5 Tablet | Pcs | 20648 | 8.440 | 174,269.12 |
| 44 | Esypan 2 Tablet | Pcs | 17451 | 13.280 | 231,749.28 |
| 45 | Esypan Drops | Phs | 18622 | 9.140 | 170,205.08 |
| 46 | Famina Z Capsule | Pcs | 8032 | 49.640 | 398,708.48 |
| 47 | Feosil-Z Capsule | Pcs | 8054 | 22.850 | 184,033.90 |
| 48 | Fluvas 20 Capsule | Pcs | 15540 | 31.460 | 488,888.40 |
| 49 | Glicasil Tablet | Pcs | 21320 | 29.570 | 630,432.40 |
| 50 | Gluphage XR Tablet | Pcs | 8542 | 18.710 | 159,820.82 |
| 51 | Kontrol TR 100 Cap | Pcs | 4214 | 25.240 | 106,361.36 |
| 52 | Koreg 12.5 Tablet | Pcs | 10085 | 16.280 | 164,183.80 |
| 53 | Koreg 6.25 Tablet | Pcs | 39524 | 11.150 | 440,692.60 |
| 54 | Lirel Plus Tablet | Pcs | 17548 | 38.220 | 670,684.56 |
| 55 | Lirel Tablet | Pcs | 10695 | 20.650 | 220,851.75 |
| 56 | Macrozith 250 Capsule | Pcs | 7152 | 27.780 | 198,682.56 |
| 57 | Macrozith 500 Tablet | Pcs | 8485 | 68.05 | 577,404.25 |
| 58 | Macrozith GFS 15 ml | Phs | 9548 | 34.770 | 331,983.96 |
| 59 | Macrozith GFS 25 ml | Phs | 8095 | 52.050 | 421,344.75 |
| 60 | Metlife-500 Tablet | Pcs | 11354 | 40.580 | 460,745.32 |
| 61 | Metlife-850 Tablet | Pcs | 15251 | 30.640 | 467,290.64 |
| 62 | Metrosil 400 Tablet | Pcs | 8348 | 67.700 | 565,159.60 |
| 63 | Metrosil Suspension | Phs | 13548 | 16.410 | 222,322.68 |

| | | | | | |
|-----|----------------------------|-----|-------|--------|--------------|
| 64 | Multi Gold Tablet (30's) | Pcs | 11058 | 62.39 | 689,908.62 |
| 65 | Multi Silver Tablet (30's) | Pcs | 5321 | 33.980 | 180,807.58 |
| 66 | Multitonic Syrup 100ml | Phs | 8254 | 34.17 | 282,039.18 |
| 67 | Multitonic Syrup 100ml | Phs | 9546 | 23.440 | 223,758.24 |
| 68 | Multitonic Syrup 200ml | Phs | 7154 | 58.74 | 420,225.96 |
| 69 | Neurex-B Tablet | Pcs | 2854 | 49.49 | 141,244.46 |
| 70 | Neurotin-300 Tablet | Pcs | 6625 | 51.710 | 342,578.75 |
| 71 | Neurotin-600 Tablet | Pcs | 4028 | 61.210 | 246,553.88 |
| 72 | Omesil 20 Capsule | Pcs | 8854 | 72.42 | 641,206.68 |
| 73 | Omesil 40 Capsule | Pcs | 9154 | 25.050 | 229,307.70 |
| 74 | Orifen Tablet | Pcs | 10054 | 85.40 | 858,611.60 |
| 75 | Pantosil 20 Tablet | Pcs | 14524 | 46.45 | 674,639.80 |
| 76 | Pantosil 40 Tablet | Pcs | 23801 | 38.540 | 917,290.54 |
| 77 | Piomet-500 Tablet | Pcs | 7175 | 20.520 | 147,231.00 |
| 78 | Piomet-850 Tablet | Pcs | 4325 | 27.980 | 121,013.50 |
| 79 | Preduet Suspension | Phs | 8548 | 12.690 | 108,474.12 |
| 80 | Preduet Tablet | Pcs | 43854 | 80.090 | 3,512,266.86 |
| 81 | Prenatal Capsule | pkt | 4125 | 20.730 | 85,511.25 |
| 82 | Prentox Tablet | Pcs | 8139 | 23.320 | 189,801.48 |
| 83 | Probac PFS 70 ml | Phs | 8254 | 70.920 | 585,373.68 |
| 84 | Probac-250 Tablet | Pcs | 21541 | 115.14 | 2,480,230.74 |
| 85 | Probac-500 Tablet | Pcs | 9251 | 109.73 | 1,015,112.23 |
| 86 | Ramipress 1.25 Tablet | pkt | 19524 | 9.800 | 191,335.20 |
| 87 | Ramipress 2.5 Tablet | Pcs | 8564 | 14.040 | 120,238.56 |
| 88 | Ramipress 5 Tablet | Pcs | 15425 | 19.480 | 300,479.00 |
| 89 | RT 150 Tablet | Pcs | 21251 | 117.74 | 2,502,092.74 |
| 92 | Serifen 300 Tablet | Pcs | 7184 | 67.850 | 487,434.40 |
| 93 | Serifen 400 Tablet | Pcs | 4125 | 82.130 | 338,786.25 |
| 94 | Sicef 500 Capsule | Pcs | 9251 | 85.64 | 792,255.64 |
| 95 | Sicef DS PFS 100ml | Phs | 41425 | 119.15 | 4,935,788.75 |
| 96 | Sicef DS. PFS 60ml | Phs | 7354 | 31.310 | 230,253.74 |
| 97 | Sicef Pediatric Drops | Phs | 9248 | 18.840 | 174,232.32 |
| 98 | Sicef PFS 100 ml | Phs | 7181 | 31.540 | 226,488.74 |
| 99 | Sifen 50 Tablet | Pcs | 16024 | 15.840 | 253,820.16 |
| 100 | Sifen TR Capsule | Pcs | 20648 | 144.43 | 2,982,190.64 |
| 101 | Silox 250 Capsule | Pcs | 6089 | 76.960 | 468,609.44 |
| 102 | Silox 500 Capsule | Pcs | 7846 | 96.900 | 760,277.40 |
| 103 | Silox Powder for Susp. | Phs | 4248 | 27.630 | 117,372.24 |
| 104 | Simox 250 Capsule | Pcs | 10451 | 92.830 | 970,166.33 |
| 105 | Simox 500 Capsule | Pcs | 4025 | 83.620 | 336,570.50 |
| 106 | Simox DS. PFS | Phs | 4021 | 28.070 | 112,869.47 |
| 107 | Simox Pediatric Drops | Phs | 4115 | 12.790 | 52,630.85 |
| 108 | Simox Powder for Susp. | Phs | 6025 | 20.820 | 125,440.50 |
| 109 | Sleepon-1 Tablet | Pcs | 7124 | 20.240 | 144,189.76 |

| | | | | | |
|--------------|----------------------------|-----|-------|--------|----------------------|
| 110 | Sleepon-2 Tablet | Pcs | 4086 | 31.880 | 130,261.68 |
| 111 | Sputen Syrup 100 ml | Phs | 10258 | 18.300 | 187,721.40 |
| 112 | Supraxim PFS 30 ml | Phs | 4827 | 26.080 | 125,888.16 |
| 113 | Supraxim PFS 50 ml | Phs | 15540 | 53.79 | 835,896.60 |
| 114 | Supraxim-200 Capsule | Pcs | 20648 | 45.98 | 949,395.04 |
| 115 | Timem Tablet | Pcs | 19297 | 50.47 | 973,919.59 |
| 116 | Tivanik 250 Tablet | Pcs | 3854 | 56.480 | 217,673.92 |
| 117 | Tivanik 500 Tablet | Pcs | 14854 | 69.760 | 1,036,215.04 |
| 118 | Torolac-10 Tablet | Pcs | 21521 | 28.75 | 618,728.75 |
| 119 | Tralin 100 Tablet | Pcs | 7210 | 79.580 | 573,771.80 |
| 120 | Tralin 25 Tablet | Pcs | 11548 | 53.030 | 612,390.44 |
| 121 | Tralin 50 Tablet | Pcs | 8142 | 45.280 | 368,669.76 |
| 122 | Trilix 1.5 SR Tablet | Pcs | 39290 | 69.350 | 2,724,761.50 |
| 123 | Valpress 80 Capsule | Pcs | 7184 | 83.080 | 596,846.72 |
| 124 | Vasopin 10 Tablet | Pcs | 16528 | 8.400 | 138,835.20 |
| 125 | Vasopin 5 Tablet | Pcs | 14521 | 7.010 | 101,792.21 |
| 126 | Vasopin-50 Plus Tablet | Pcs | 26209 | 11.380 | 298,258.42 |
| 127 | Vitasil B Syrup 100ml | Phs | 8058 | 16.050 | 129,330.90 |
| 128 | Vitasil B Syrup 200ml | Phs | 8582 | 28.820 | 247,333.24 |
| 129 | Vitasil B Tablet | Pcs | 8164 | 10.310 | 84,170.84 |
| 130 | Vitasil M Tablet | Pcs | 13839 | 13.660 | 189,040.74 |
| 131 | Xinoplex I Syrup 100 ml | Phs | 21525 | 19.790 | 425,979.75 |
| 132 | Xinoplex I Syrup200 ml | Phs | 14524 | 33.050 | 480,018.20 |
| 133 | Xinoplex Syrup 100 ml | Phs | 9225 | 23.99 | 221,307.75 |
| 134 | Xinoplex Syrup 200 ml | Phs | 4075 | 29.420 | 119,886.50 |
| 135 | Zoxanid PFS 30 ml | Phs | 13952 | 10.920 | 152,355.84 |
| 136 | Zoxanid PFS 60 ml | Phs | 15364 | 15.030 | 230,920.92 |
| 137 | Zoxanid Tablet | Pcs | 6582 | 62.010 | 408,150.82 |
| 138 | Z-sil DT DispersibleTablet | Pcs | 6824 | 25.790 | 175,990.96 |
| 139 | Z-sil Syrup 100 ml | Phs | 7548 | 16.500 | 124,542.00 |
| 140 | Z-sil Syrup 200 ml | Phs | 4625 | 26.340 | 121,822.50 |
| Total | | | | | 88,911,132.00 |

Work-in-process:

| Sl. No. | Name of Product | Stage | Cost Of (Raw/Pack) | QTY(pcs) | Rate | Value |
|---------|-----------------------|------------|--------------------|----------|-------|---------|
| 1 | Alvital Tablet(30's) | Packing | PM | 33,540 | 0.67 | 22,381 |
| 2 | Calsil Plus Tablet | Blistering | RM | 300,000 | 0.13 | 37,830 |
| 3 | Cipronil PFS 60 ml | Packing | PM | 11,900 | 38.81 | 461,856 |
| 4 | Devomit Tablet | Blistering | RM | 332,460 | 0.60 | 199,709 |
| 5 | Domsil | Packing | PM | 28,005 | 0.20 | 5,503 |
| 6 | Duet Tablet (Regular) | Packing | PM | 522,600 | 0.58 | 300,913 |
| 7 | Duet Tablet (Regular) | Blistering | RM | 500,000 | 0.32 | 162,150 |
| 8 | Macrozith 500 Tablet | Packing | PM | 22,996 | 5.99 | 137,833 |

| | | | | | | |
|--------------|---------------------|---------------------|----|---------|-------|------------------|
| 9 | Macrozith GFS 15 ml | Packing | PM | 14,560 | 30.56 | 444,997 |
| 10 | Macrozith GFS 25 ml | Filling &Sealing | PM | 12,380 | 45.82 | 567,311 |
| 11 | Macrozith GFS 25 ml | Packing | PM | 3,846 | 45.82 | 176,242 |
| 12 | Neurex-B Tablet | Packing | PM | 41,640 | 1.93 | 80,399 |
| 13 | Neurex-B Tablet | Blistering | RM | 450,000 | 1.84 | 827,190 |
| 14 | Omesil 20 Capsule | Blistering | RM | 552,600 | 0.34 | 186,613 |
| 15 | Pantosil 20 Tablet | Packing | PM | 92,331 | 0.36 | 33,202 |
| 16 | RT 150 Tablet | Packing | PM | 108,000 | 0.53 | 56,916 |
| 17 | Timem Tablet | Packing | PM | 79,872 | 0.87 | 69,393 |
| Total | | | | | | 3,770,438 |

23. Whether you have made physical verification of inventories as on 30 June, 2017;

Response to the above:

In course of our audit, physical verification of the inventories was carried out by our audit team consisting two members 1) Mr. Md. Firoz Sarker and 2) Mr. Amzadul Haque along with assistance of company people.

24. Detailed information about schedule- XI Part – II Para – 4 of The Companies Act, 1994;

Response to the above:

| Payment information to Directors as per requirement of schedule XI, part II, Para 4 | | |
|--|--|-------------------|
| | Payment to directors within the period ending 30 June, 2017 is as follows: | 30/06/2017 |
| (a) | Managerial Remuneration paid or payable during the financial period to the directors, including managing directors, a managing agent or manager; including board meeting fees. | 703,500 |
| (b) | Expenses reimbursed to the Managing Agent; | Nil |
| (c) | Commission or Remuneration payable separately to a managing agent or his associate; | Nil |
| d) | Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.; | Nil |
| (e) | The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.; | Nil |

| | | |
|-----|---|--|
| (f) | Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable; | Fulltime car facility to Chairman & Managing Director. |
| (g) | Other allowances and commission including guarantee commission. | Nil |
| (h) | Pensions etc. | |
| | (i) Pensions | Nil |
| | (ii) Gratuities | Nil |
| | (iii) Payments from a provident funds, in excess of own subscription and interest thereon | Nil |
| | (iv) Compensation for loss of office | Nil |
| | (v) Consideration in connection with retirement from office. | Nil |

Place: Dhaka
Date: May 29, 2018

Mahfel Huq & Co.
Chartered Accountants

CHAPTER (XXVII)

PUBLIC ISSUE APPLICATION PROCEDURE

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the **first banking hour of next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within **03 (three) working days** from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.
7. **On the next working day**, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers **up to 6 months** from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.
12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.
13. The Issuer and issue managers shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.
14. **Within 02 (two) working days** of conducting lottery, the Issuer shall:

- a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.
- b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.
- c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.
- d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to:
 - a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants;
 - b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

19. **On the same day**, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.
20. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency **within 7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

21. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.
22. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
23. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
24. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.
25. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
26. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
27. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

The IPO subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the Company's **MSND Account No. 401213100009660** with **Shahjalal Islami Bank Limited, Satmasjid Road Branch, Dhanmondi, Dhaka-1209, Bangladesh** for this purpose.

The IPO subscription money collected from successful NRB applicants in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

| SL | Name of the A/C | Account No. | Type of A/C | Currency | Bank & Branch |
|----|-------------------------------------|-----------------|-------------|----------|--|
| 1 | Silva Pharmaceuticals Limited | 401216100000084 | FC A/C | USD | Shahjalal Islami Bank Limited, Satmasjid Road Branch, Dhanmondi, Dhaka-1209 |
| 2 | | 401216500000012 | | EURO | |
| 3 | | 401216200000013 | | GBP | |

CHAPTER (XXVIII)

OTHERS

DECLARATION REGARDING COST AUDIT

This is to inform you that Ministry of Commerce in its Gazette dated 12th January, 2003 ordered 5 companies from power sector and 6 companies from jute sector would be under Cost Audit Compliance. Later on, 3rd December 2009 Ministry of Commerce issued Gazette by which 42 companies from Garments and Textiles sector, 12 companies from Pharmaceutical sector and all the companies involved in manufacturing of Chemical Fertilizer would be under Cost Audit Compliance.

Since Silva Pharmaceuticals Limited is not bracketed in above mentioned companies, Cost Audit by Cost and Management Accountants is not applicable for “Silva Pharmaceuticals Limited”.

Sd/-

Dr. Saira Khan
Managing Director
Silva Pharmaceuticals Limited

Sd/-

Md. Abul Kasem
Chief Financial Officer
Silva Pharmaceuticals Limited

Sd/-

M. Mosharraf Hossian FCA, PhD
Managing Director & CEO
Prime Finance Capital Management Limited

Sd/-

Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Sd/-

Abu Nayem Md. Ibrahim
Chief Executive Officer
SBL Capital Management Limited

Date: December 05, 2017

DECLARATION REGARDING TURNOVER IN CASH

All receipts and payments of Silva Pharmaceuticals Limited above Tk. 500,000 (Five Lacs) are made through banking channel. The company sells its products directly to the retailers, i.e. Chemist/Pharmacy. The company supplies products in 22,484 pharmacies across the country on an average 90 to 120 days' credit basis. No sales invoice exceeds more than Tk. 500,000.00. Hence, collection from one single customer for a single order is less than Tk. 500,000.00. The company's appointed Medical Promotion Officers (MPO) collect sales proceeds and deposits the sales proceeds at depots. Then cash collection from sales is deposited to company's bank account immediately. Thus, total turnover is initially made through cash and subsequently deposited to company's bank account.

Sd/-

Dr. Saira Khan
Managing Director
Silva Pharmaceuticals Limited

Sd/-

Md. Rezaul Haque
Managing Director (CC)
Prime Finance Capital Management Limited

Sd/-

Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Sd/-

Abu Nayem Md. Ibrahim
Chief Executive Officer
SBL Capital Management Limited

MANAGEMENT DISCLOSURE

1. It appears that currently you have utilized 65% of production capacity. It appears that 35% of production capacity is unutilized. So, why the company is planned to go for further purchasing of machineries and civil construction. Explain your position regarding the same;

The Company has been trying to increase its production capacity. We need new machineries as well in order to produce different products. With the existing machineries, we need to take time to set up again for producing new products. With different product mix we can be competitive in the market to get more market shares.

2. It appears from the prospectus that actual capacity utilization of tablet, capsule, liquid and dry syrup for the year ended 30-06-2016 respectively 62.06%, 62.85%, 69.96% and 76.88% but you have stated that from IPO proceeds you will further purchase machineries. Explain;

The Company has been trying to increase its production capacity. We need new machineries as well in order to produce different products. With the existing machineries, we need to take time to set up again for producing new products. With different product mix we can be competitive in the market to get more market shares.

3. It is observed that inventories and Trade Receivables seem very high with total asset. Explain;

The management would like to inform that the company has 12 depots (DMO) all over the country; in addition, there is a central DMO and factory store. In order to support increasing trend of sales and production management have to keep huge inventory at DMOs as well as factory store to avoid any interruption. Moreover, the company is producing 116 products for which thousands item of active ingredients, excipients and other packaging materials are required to store. In the case of accounts receivable, management would like to inform that the company has 22,484 customers and in order to boost up sales management need to sell on credit to these customers. Hence our inventories and trade receivables need to be maintained at higher level.

Sd/-

Dr. Saira Khan

Managing Director