

“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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PROSPECTUS

Name of Issuer:



Silva Pharmaceuticals Limited
সিলাভা ফার্মাসিউটিক্যালস্ লিমিটেড

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	M. Mosharraf Hossain FCA, PhD Managing Director & CEO
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UNDERWRITERS		
Name & Address	Telephone & Fax Number, E-mail, Web Address	Contact Person
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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) 189-198"

(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	M. Mosharraf Hossain FCA, PhD Managing Director & CEO
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”

AGM

Allotment

The Articles of Association of Silva Pharmaceuticals Limited, as amended

Annual General Meeting

Letter of Allotment of shares

B

“Board” or “Board of Directors” or “our Board”

BAS

BDT

BFRS

BO A/C

BSEC

The Board of Directors of Silva Pharmaceuticals Limited, as duly constituted from time to time including any committees thereof

Bangladesh Accounting Standards

Bangladeshi Taka

Bangladesh Financial Reporting Standards

Beneficiary Owner's Account

Bangladesh Securities and Exchange Commission

C

CDBL

Certificate

CFO

CIB

CIS

Commission

CSE

CS

Central Depository Bangladesh Limited

Share Certificate

Chief Financial Officer

Credit Information Bureau

Collective Investment Scheme

Bangladesh Securities and Exchange Commission

Chittagong Stock Exchange Limited

Company Secretary

D

DSE

Dhaka Stock Exchange Limited

E

E-Mail

EPS

ETP

Exchanges

Electronic Mail

Earnings Per Share

Effluent Treatment Plant

Stock Exchanges

F

FC A/C

FDR

Foreign Currency Account

Fixed Deposit Receipt

G

GBP

Great Britain Pound

H

HVAC

Heating, ventilation, and air conditioning

I

ICL

IPO

IMS

Issue

Imperial Capital Limited

Initial Public Offering

Intercontinental Marketing Services

Public Issue of shares

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

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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	Incorpoarte 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	1. Silva Pharmaceuticals Limited, Main Road, Maijdee Court, Noakhali-Rented & 2. Binodpur, Maijdee Court, Noakhali-Owned.
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

(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
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
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
9	Factory License	Department of Factory, Noakhali	450/Noakhali	30.06.2018
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	11.81
Method 3: Average market price of similar stock based valuation	276.33

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 Utranchol 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:

<u>Serial No</u>	<u>Issue Month/Year</u>	<u>Issue Price</u>	<u>Dividend Payment History</u>	
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	10.00	Cash Dividend	-

	(July-2016)		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, Main Road, Maijdee Court, Noakhali-Rented &
	:	2. Binodpur, Maijdee Court, Noakhali-Owned. 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, Main Road, Maijdee Court, Noakhali-Rented & Binodpur, Maijdee Court, Noakhali-Owned. 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, Main Road, Maijdee Court, Noakhali-Rented & 2. Binodpur, Maijdee Court, Noakhali-Owned.
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@primefincap.com Web: www.primefincap.com	M. Mosharraf Hossian FCA, PhD Managing Director & CEO
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:

- The names of all the credit rating agencies from which credit rating has been obtained;
- The details of all the credit ratings obtained for the issue and the issuer;
- The rationale or description of the ratings(s) so obtained, as furnished by the credit rating agency(s);
- 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: eiil@eximbankbd.com Web: www.eximbankbd.com/about/eiil	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 &	Form of Consideration	Amount in Taka
			Dates	Amount	Issue Price (Tk.)		
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 as 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.	Ordinary	20-Jun-02	500,000	10.00	Cash	5.09%	3.92%	3 Yrs	No Pledge
Position:	Director		30-Sep-15	590,000						
			24-Jul-16	4,000,000						
			Total	5,090,000						
Name:	Md. Musfiqur Rahman FCA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Position:	Independent Director									
Name:	Tanha Zarrin Ahmed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Position:	Independent Director									
Name:	Md. Anwar Mirza	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				
Position:	Sponsor		12-Mar-17	(1,500,000)		Cash				
			Total	4,850,000						
Name:	Mrs. Sajeda Mirza	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				
Position:	Sponsor		12-Mar-17	(850,000)		Cash				
			Total	4,950,000						
Name:	Dr. Shibli Mirza	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				
Position:	Sponsor		12-Mar-17	(700,000)		Cash				
			Total	4,000,000						

Name: Mr. A. R. Hassan Mirza Position: Sponsor	Ordinary	24-Apr-01	20,000	10.00	Cash	4.95%	3.81%	3 Yrs	No Pledge
		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 Pouroushava, Roypur, Lakshmipur.	Deputy Manager	55,000	0.06%
5	Md. Nazmul Hoque	Denayetpur, Roypur Pouroushava, Roypur, Lakshmipur.	Asst. Manager	55,000	0.06%
6	Md. Kamrul Islam	Mohabbatpur, sonapur, Sadar, Noakhali.	Asst. Manager	10,000	0.01%
7	Mr. Khurshid Ahmmmed Siddique	10/20, tajmohol Road, Mohammadpur, Dhaka.	Deputy Manager	380,000	0.38%
8	Abu Zafar Mohammad Rafique Hasnat	House No. # 57/12, East Rajabazar, Tejgaon, Dhaka-1215	Asst. Manager	100,000	0.10%

(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 diabetic, 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, Main Road, Maijdee Court, Noakhali-Rented & Binodpur, Maijdee Court, Noakhali-Owned and registered & corporate office is situated at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh-Rented.

- (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	Tablet: 145.96 Million Pcs.
	Capsule: 37.50 Million Pcs.
	Liquid: 1.17 Million Ph.
	Dry Syrup: 0.13 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. Musfiquir 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. Tablet:

Sl. No.	Brand Name	Generic Name, Specification & Strength
1	Aerofen	Ketotifen Fumarate INN 1.38mg
2	Arnex	Naproxen Sodium USP 550mg
3	Atechlor-100	Atenolol BP 100mg + Chlorthalidone USP 25mg
4	Atechlor-50	Atenolol BP 50mg + Chlorthalidone USP 25mg
5	Actisal-1	Levosulbutamol INN 1mg
6	Actisal-2	Levosulbutamol INN 2mg
7	Calsil-500	Calcium Carbonate USP 500mg
8	Cesil	Cetirizine Dihydrochloride BP 10mg
9	Domsil	Domperidone Maleate BP 10mg
10	Duet	Paracetamol BP 500mg+Caffeine BP 65mg
11	Domsil DT	Domperidone BP 10mg
12	Devomit	Meclizine HCl BP 25mg+Pyridoxine HCl BP 50mg
13	Esypam-0.5	Clonazepam USP 0.50mg
14	Esypam-2	Clonazepam USP 2mg
15	Koreg-6.25	Carvedilol INN 6.25mg
16	Koreg-12.5	Carvedilol INN 12.5mg
17	Koreg-25	Carvedilol INN 25mg

18	Metlife-500	Metformin Hydrochloride BP 500mg
19	Metlife-850	Metformin Hydrochloride BP 850mg
20	Neurotin-300	Gabapentin INN 300mg
21	Neurotin-600	Gabapentin INN 600mg
22	Omesil-20	Omeprazole Magnesium INN 20mg
23	Omesil-40	Omeprazole Magnesium INN 40mg
24	Oplor	Desloratidine INN 5mg
25	Orifen	Aceclofenac BP 100mg
26	Pantosil-40	Pantoprazole INN 40mg
27	Preduet	Paracetamol BP 500mg
28	Ramipress-1.25	Ramipril BP 1.25mg
29	Ramipress-2.5	Ramipril BP 2.5mg
30	Sifen-50	Diclofenac Sodium USP 50mg
31	Sputen	Bromohexine Hydrochloride BP 8mg
32	Serifen-300	Dexibuprofen INN 300mg
33	Sleepon-1	Eszopiclone INN 1mg
34	Sleepon-2	Eszopiclone INN 2mg
35	Theodyl SR	Theophylline Anhydrous USP 400mg
36	Timem	Tiemonium Methyl Sulphate INN 50mg
37	Tralin-25	Sertraline Hydrochloride INN 25mg
38	Tralin-50	Sertraline Hydrochloride INN 50mg
39	Vasopin-50 Plus	Amlodipine BP 5mg + Atenolol BP 50mg
40	Z-Sil DT	Zinc Sulphate Monohydrate USP 20mg
41	Zoxanid	Nitazoxanide INN 500mg
42	Alvital	Vitamin A (As Beta Carotene) 2000 IU + Vitamin E (As Vitamin E Acetate) 50 IU + Vitamin C (As Ascorbic Acid) 200mg + Zinc (As Zinc Oxide) 15 mg + Manganese Sulphate) 3.00mg + Copper (As Cupric Oxide) 1.00mg + Selenium (As Sodium Selenate) 70mcg
43	Calsil Plus	Calcium Carbonate USP 1250mg + Vitamin D ₃ USP 200 IU
44	Cipronil-500	Ciprofloxacin Hydrochloride USP 500mg
45	Cipronil-750	Ciprofloxacin Hydrochloride USP 750mg
46	Cipronil XR	Ciprofloxacin Hydrochloride USP XR 710.026mg
47	Calsil M	Calcium, Vitamin D & Multimineral
48	Macrozith 500	Azithromycin Dihydrate USP 500mg
49	Multi Silver	Multivitamin Multimineral (A-Z) Silver
50	Multi Gold	Multivitamin Multimineral (A-Z) Gold
51	Neurex-B	Thiamine Mononitrate USP 100mg + Pyridoxine Hydrochloride USP 200mg + Cyanocobalamin USP 200mg
52	Prentox	Beta Carotene USP 30mg + Ascorbic Acid USP 200mg + Vitamin E Acetate BP 100mg
53	Probac 250	Cefuroxime USP 250mg
54	Probac 500	Cefuroxime USP 500mg
55	Tivanik-250	Levofloxacin INN 250mg
56	Tivanik-500	Levofloxacin INN 500mg
57	Vitasil B	Thiamine Mononitrate BP 5mg + Riboflavin BP 2mg + Pyridoxine

		Hydrochloride BP 2mg + Nicotinamide BP 20mg
58	Vitasil M	Multivitamins & Minerals
59	Triocard	Ascorbic Acid BP 400mg + Vitamin D ₃ BP 400 IU + Folic Acid BP 2.00mg

2. Capsule:

Sl. No.	Brand Name	Generic Name, Specification & Strength
1	Omesil-20	Omeprazole 8.5% BP 20mg
2	Omesil-40	Omeprazole 8.5% BP 40mg
3	Sifen TR	Diclofenac Sodium TR BP 300mg
4	Anfasil-50	Fluconazole (Compacted) INN 50mg
5	Anfasil-150	Fluconazole (Compacted) INN 150mg
6	Fluvas-20	Fluvastatin Sodium (Compacted) INN 20mg
7	Fluvas-40	Fluvastatin Sodium (Compacted) INN 40mg
8	Kontrol TR100	Ketoprofen TR BP 100mg
9	Kontrol TR200	Ketoprofen TR BP 200mg
10	Valpress-40	Valsartan INN 40mg
11	Valpress-80	Valsartan INN 80mg
12	Capcee TR	Ascorbic Acid USP 500mg
13	Famina	Carbonyl Iron INN 50mg + Folic Acid USP 0.50mg + Vitamin B Complex + Vitamin C USP 50mg
14	Famina Z	Carbonyl Iron INN 50mg+Folic Acid USP 0.50mg+ZincSulphateUSP61.80mg+Vitamin B Complex + Vitamin C USP 50mg
15	Feosil-V	Dried Ferrous Sulphate BP 150mg + Folic Acid BP 0.50mg + Vitamin B Complex + Vitamin C USP 50mg
16	Feosil-Z	Dried Ferrous Sulphate BP 150mg + Folic Acid BP 0.5mg + Zinc Sulphate Monohydrate USP 61.8mg
17	Macrozith-250	Azithromycin Compacted USP 250mg
18	Macrozith-500	Azithromycin Compacted USP 500mg
19	Prenatal	Carbonyl Iron INN 51mg + Folic Acid BP 0.50mg + Zinc Sulphate Monohydrate USP 61.8mg
20	Sicef-250	Cephadrine Compacted BP 250mg
21	Sicef-500	Cephadrine Compacted BP 500mg
22	Silox-250	Flucloxacillin Compacted BP 250mg
23	Silox-500	Flucloxacillin Compacted BP 500mg
24	Supraxim-200	Cefixime Compacted USP 200mg
25	Supraxim-200	Cefixime Compacted USP 200mg

3. Liquid:

Sl. No.	Brand Name	Generic Name, Specification & Strength
1	Aerofen	Ketotifen Fumarate INN 27.60mg
2	Alvolex	Salbutamol USP 48.00mg
3	Ambosil	Ambroxol Hydrochloride BP 300mg
4	Ambosil	Ambroxol Hydrochloride BP 600mg
5	Actisal	Levosaltbutamol INN 1mg/5ml
6	Cesil	Cetirizine Dihydrochloride BP 100mg
7	Clovera	Dicycloverine Hydrochloride BP 10mg/5ml
8	Domsil	Domperidone Maleate BP 100mg
9	Esypan	Clonazepam USP 0.25gm
10	Safetisol	Chlorhexidine Gluconate Solution (0.5%) BP 2.5ml+Isopropyl Alcohol BP 70ml
11	Z-Sil	Zinc Sulphate USP 549.33mg
12	Codlivit	Multivitamin Syrup with Cod Liver Oil
13	Multitonic	Multivitamin + Multimineral
14	Sicef	Cephadrine Micronized BP 10gm
15	Vitasil B	Thiamine Hydrochloride BP 100mg + Riboflavin BP 54.6mg + Pyridoxine Hydrochloride BP 40mg + Nicotinamide BP 400mg
16	Xinoplex	Thiamine Hydrochloride BP 0.1gm + Riboflavin BP 0.0546gm + Pyridoxine Hydrochloride BP 0.04gm + Nicotinamide BP 0.40gm + Zinc Sulphate BP 0.54933gm
17	Xinoplex-1	Iron (III) Hydroxide Polymaltose Complex (as Iron Polysaccharide Complex) 4.00gm + Thiamine Hydrochloride 0.100gm + Riboflavin 5 Phosphate Sodium 0.0546gm + Pyridoxine Hydrochloride 0.040gm + Nicotinamide 0.400gm + Zinc Sulphate Monohydrate 0.54933gm

4. Dry Syrup:

Sl. No.	Brand Name	Generic Name, Specification & Strength
1	Anfasil	Fluconazole INN 1.00gm
2	Metrosil	Metronidazole BP 4.0gm
3	Preduet	Paracetamol BP 2.40mg
4	Serifen	Dexibuprofen (S-Ibuprofen) INN 2.00gm
5	Zoxanid	Nitazoxanide INN 100mg/5ml
6	Omesil Fast	Omeprazole USP 20mg
7	Omesil Fast 40	Omeprazole USP 40mg
8	Cipronil	Ciprofloxacin Hydrochloride USP 5.82gm
9	Macrozith	Azithromycin Ph. Grade 53.33gm
10	Probac	Cefuroxime USP 2.5mg
11	Sicef	Cephadrine Micronized BP 2.50gm
12	Sicef DS	Cephadrine Micronized USP 5.00gm
13	Supraxim	Cefixime Micronized USP 2.00gm

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	9 Months	13 Months	For the year			
	31-Mar-17	30-Jun-16	31-May-15	31-May-14	31-May-13	31-May-12
Turnover	433,248,061	628,766,245	545,979,610	493,935,421	395,148,338	376,331,750

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 the 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;

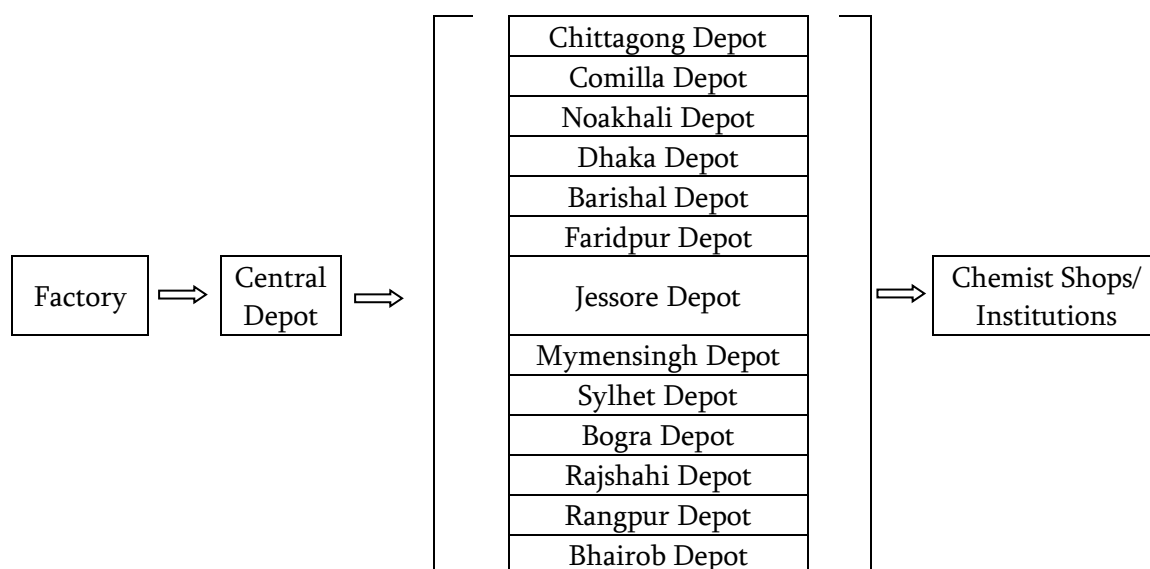
Products	For the period ended Jun 30, 2017		For the period ended Jun 30, 2016	
	(12 Months)		(13 months)	
	Revenue (Tk.)	%	Revenue (Tk.)	%
Tablet	350,448,751	58.17%	376,068,608	59.81%
Capsule	189,836,346	31.51%	192,308,185	30.59%

- (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:



Export possibilities and export obligations:

We don't have any export obligation rather 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

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

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, maharastra.	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, Jongsawari (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
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
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
9	Factory License	Department of Factory, Noakhali	450/Noakhali	30.06.2018
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%

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 & Land Development	81,659,667
2	Plant & Machinery	298,245,223
3	Generator	4,879,570
4	Building Decoration	12,260,117
5	Electrical Installation	1,659,958
6	Gas Installation	142,674
7	Office Equipment	16,380,989
8	Factory Equipment	20,315,747
9	Furniture and Fixture	15,269,990
10	Vehicle	26,099,751
11	Power House	415,666
12	Laboratory Equipment	15,118,367
13	Factory Building & Warehouse	214,290,833
	Total	682,967,440

(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: Silva Pharmaceuticals Limited, Main Road, Maijdee Court, Noakhali & owned Factory: Binodpur, Maijdee Court, Noakhali. The Company has 275.00 decimals land located at Binodpur, Maijdee Court, Noakhali on which the Company's factory premises is situated. 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 at Silva Pharmaceuticals Limited, 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)	R. S 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	114, 115, 130, 131, 134, 135 & 141	6,000,000	75,659,667	275.00	Ware house, Factory Building (under construction), developed open field

- (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		

Land (proposed to be acquired):

Name of the persons from whom the land has been proposed to be acquired	Cost of acquisition	Advance paid	Relations
Mrs. Sajeda Mirza (Sponsor Shareholder of Silva Pharmaceuticals Limited)	170,425,000	127,700,000	Mother of Mrs. Silvana Mirza (Chairman), Mrs. Samina Mirza (Director) & Mrs. Farhana Mirza (Director) and Mother-in-law of Dr. Saira Khan (Managing Director)

- (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 Branch) Dhaka	1818/2010	May 03, 2010	Binodpur, 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, Main Road, Maijdee 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 Automatiches S.p.A.Sede Legale Direzioe Ammistrative 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), Mombai-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 VIKROLI(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 Machineries Company,	C 21341, dt.03.02.2002	Gala No.31/32, Shivashakti Ind.Estate Opp. Mittal Estate, M.V.Road, Andheri(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	Partnership, 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, Taipei 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, Leicestershire, 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 Automatiques 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 Machineries 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 Automatches S.p.A.Sede Legale Direzione Amministrativa 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 & Torley, Transportation Trolley	General Machineries 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 Jupiter Machenary 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, Ruian 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 Slister Packaging Machine	120000 Psc/Hr	DPP260Ki-2	China	1		
3	Fluid Bed Processor	250 Kgs		India	1		
4	Double Cone Blender	250Ltrs/125Kgs	ADDCB-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)	:	M. Mosharraf Hossian FCA, PhD <i>Managing Director & CEO</i>	Prime Finance Capital Management Limited
	:	Mohammad Rajibul Islam <i>Assistant Vice President</i>	
Visited by (Imperial Capital Limited)	:	Md. Salauddin Sikder FCMA <i>CEO & Managing Director</i>	Imperial Capital Limited
	:	Md. Shazzad Hossain <i>Assistant Manager</i>	
Visited by (SBL Capital Management Limited)	:	Abu Nayem Md. Ibrahim Chief Executive Officer	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. 1,300,000,000.00
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 Office

SPL's factory is situated at Silva Pharmaceuticals Limited, Main Road, Maijdee Court, Noakhali-rented & Binodpur, Maijdee Court, Noakhali-owned and registered & corporate office is situated at House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh-rented.

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 mainly in local market. SPL has earned a reputation as a successful medicine manufacturer over the last few years.

Products

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.

Location of the Factory

The factory is situated at Silva Pharmaceuticals Limited, Main Road, Maijdee Court, Noakhali-rented & Binodpur, Maijdee Court, Noakhali-owned.

DESCRIPTION OF PROPERTY

We have identified that the factory of Silva Pharmaceuticals Limited is located at Silva Pharmaceuticals Limited, Main Road, Maijdee Court, Noakhali-rented & Binodpur, Maijdee Court, Noakhali-owned. We have found properties at the factory like:

- 1) **Land:** We have found that 275 decimals of land are in the Binodpur, Maijdee Court, Noakhali. The said land is demarcated by internal road and total area is surrounded by boundary wall.

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

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 & DM Plant. 1 st floor – Cephalosporin Unit 2 nd floor – Soft Gelatin Unit 3 rd and 4 th floor – Ready for Machinery installation & production.
Total			1,08,500 sft	1,08,500 sft	3,455.62	37,49,35,717	

3) **Machinery:**

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 enulsifier, & 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 & Torlley, Transportation Trolly	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	Soft Gelatine encapsulation machine	1 Set
17	Fluid Bed Dryer	1 Set
18	Tableting Machine parts, punches & dies	1 Set
19	Code Dating Imprinter	1 Set
20	Laboratory Furnace ashing and burn off.	1 Set
21	Leak Test Apparatus Equipment	1 Set
22	Cutting and Cruassing Machine	1 Set
23	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
24	Spectro Photometer	1 Set
25	Capsule Filling Machine, Automatic Capsule loading machine	1 Set
26	Blister Packing Machine	4 Sets
27	Fourier Transform Infrared Spectrophotometer (FTIR)	1 Set
28	Moisture Balance	1 Set
29	Auto Sachet Filling Machine	1 Set
30	High speed mixer enulsifier & Heavy duty Laboratory Mixer with standard Emulsor	1 Set
31	Automatic Capsule Filling Machine	1 Set
32	Tablet Deducter, Dust Collector	1 Set
33	SD'Punch & Die Storage Cabinet & Torlley, Transportation Trolly	1 Set
34	Humidity Test Cabinet	1 Set
35	High Performance Liquid Chromatography System(HPLC)	1 Set

36	High Speed Mixer Granulator	1 Set
37	Melting Point Apparatus	1 Set
38	Cutting Machinery	1 Set
39	Automatic Capsule Arrange Machine	1 Set
40	Water Purifying Machine	1 Set
41	Automatic Capsule Filling Machine	1 Set
42	Automatic Capsule loading machine	1 Set
43	SD'Punch & Die Storage Cabinet & Torley, Transportation Trolley	1 Set
44	Punches N Dies for Tablet Press Machine	1 Set
45	Fluid Bed Drier	1 Set
46	Dry Powder Filling Machine	1 Set
47	Code Dating Imprinter	1 Set
48	Tablet Press Machine	1 Set
49	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
50	Tablet Coating Machine	1 Set
51	High Speed Mixer Granulator	1 Set
52	Fourier Transform Infrared Spectrophotometer (FTIR)	1 Set
53	Moisture Balance	1 Set
54	Auto Sachet Filling Machine	1 Set
55	Tablet Coating Machine	1 Set
56	High Performance Liquid Chromatography System(HPLC)	1 Set
57	Automatic Capsule Filling & Sealing Machine	1 Set
58	Auto Liquid Filling & Sealing Machine	2 Sets
59	Dry Powder Filling Machine	1 Set
60	Automatic Strip Packing Machine	1 Set
61	Spectro Photometer	1 Set

- 4) **Generator:** SPL has procured Diesel Generator having capacity of 600 KVA and 380 KVA.
- 5) **ETP:** SPL has an ETP plant to purify the waste water produced from the manufacturing process. The company follows the rules and guidelines of the environment directorate's policies and directives.

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

Signboard:

The signboard of the Company is well displayed at the corporate office and factory premises and there is no other office or factory within the said factory premises.

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

- (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

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

- (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

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 31 March, 2017.

Customs Duty or other tax liabilities: There is no customs duty Liability of the Company as on 31 March, 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	Yet to submit
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, 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. 10 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 news paper	Estimated (to be paid at actual)	600,000	
18	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	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 repayment of long term loan, acquisition of Machinery & Equipment, Construction and other civil works 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

- 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

- 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%

- 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

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. Musfiquur 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 1st quarter financial statements as on July 01, 2017 to September 30, 2017 are as follows:

Financial Statements (Unaudited)

SILVA PHARMACEUTICALS LTD.

Statement of Financial Position

As at 30 September, 2017

Particulars	Amount in Taka	
	30-Sep-17	30-Jun-17
ASSETS		
Non-Current Assets	855,730,483	843,729,229
Property, Plant & Equipment	707,622,506	706,738,552
Capital work-in-Progress	148,107,977	136,990,677
Current Assets	1,099,905,623	1,097,434,352
Inventories	366,925,526	369,548,334
Trade and Other Receivables	264,346,983	253,498,965
Advances, Deposits and Prepayments	255,757,919	270,877,947
Investment in FDR	127,500,000	120,000,000
Cash and Cash Equivalents	85,375,195	83,509,106
Total Assets	1,955,636,106	1,941,163,581
SHAREHOLDERS EQUITY AND LIABILITIES:		
Equity attributable to the Shareholders	1,670,738,159	1,647,797,063
Share Capital	1,000,000,000	1,000,000,000
Retained Earnings	670,738,159	647,797,063
Non-Current Liabilities	87,043,325	86,031,226
Deferred Tax Liabilities	87,043,325	86,031,226
Current Liabilities	197,854,622	207,335,292
Trade and Other Payables	4,352,136	4,311,781
Current Portion of Long Term Loan	99,000,000	99,000,000
Provision for Expenses	94,502,486	104,023,511
Total Liabilities	284,897,947	293,366,518
Total Equity & Liabilities:	1,955,636,106	1,941,163,581
Net Assets Value (NAV) per share	16.71	16.48

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Silva Pharmaceuticals Ltd
Statements of Profit or Loss and other Comprehensive Income
For the First Quarter ended 30 September, 2017

Particulars	<i>Amount in Taka</i>	
	July - September, 2017	July - September, 2016
Turnover	169,875,624	141,810,531
Cost of goods sold	(105,658,757)	(85,872,500)
Gross Profit	64,216,867	55,938,031
Operating expenses	(29,331,381)	(26,464,107)
Operating Income	34,885,486	29,473,924
Financial expenses	(26,215)	(67,632)
Net Operating Profit	34,859,271	29,406,292
Interest and Other income	2,523,705	185,465
Net Profit before Contribution to WPPF	37,382,976	29,591,757
Provision for Contribution to Worker's Profit Participation fund (WPPF)	(1,780,142)	(1,409,131)
Net Profit before Income Tax	35,602,834	28,182,626
Income Tax Expenses:	(12,661,738)	(9,863,920)
Current Tax Expenses	(11,649,639)	(8,731,107)
Deferred Tax expenses	(1,012,099)	(1,132,813)
Net Profit after tax	22,941,096	18,318,706
Earnings Per Share (EPS)	0.23	0.28

Sd/-
Chief Financial Officer

Sd/-
Managing Director

SILVA PHARMACEUTICALS LTD.
Statement of Changes in Equity
For the First Quarter ended 30 September, 2017

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	-	22,941,096	22,941,096
Balance as at 30 September, 2017	1,000,000,000	670,738,159	1,670,738,159

For the First Quarter ended 30 September, 2016

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	150,000,000	-	150,000,000
Net profit after tax during the period	-	18,318,706	18,318,706
Balance as at 30 September, 2016	650,000,000	603,697,210	1,253,697,210

Sd/-
Chief Financial Officer

Sd/-
Managing Director

SILVA PHARMACEUTICALS LTD.
Statement of Cash Flows
For the First Quarter ended 30 September, 2017

Particulars	Amount in Taka	
	July - September, 2017	July - September, 2016
Cash flows from Operating Activities		
Cash received from Customers	161,319,661	145,071,811
Cash received from non-operating income	231,650	185,465
Cash Paid to Suppliers	(82,889,549)	(90,477,269)
Cash Paid to Employees	(24,530,256)	(21,700,874)
Cash Paid for Others	(10,224,500)	(7,849,120)
Income Tax Paid	(10,241,437)	(4,875,260)
Net cash inflow/(outflow) from operating activities (A)	33,665,569	20,354,753
Cash flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(13,182,180)	(7,599,807)
Cash Payments for Capital Work-in-progress	(11,117,300)	(11,372,473)
Cash Payments for FDR	(7,500,000)	-
Cash Payments for Advance against acquisition of land	-	-
Net cash inflow/(outflow) from investing activities (B)	(31,799,480)	(18,972,280)
Cash flows from Financing Activities		
Long Term Loan received/(Repaid)	-	-
Short Term Loan received/(Repaid)	-	-
Cash payment for Financial Expenses	-	-
Dividend Paid	-	-
Net cash inflow/(outflow) from financing activities (C)	-	-
Net increase/(decrease) of Cash and Cash Equivalents (A+B+C)	1,866,089	1,382,473
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	85,375,195	46,324,862
Net Operating Cash Flow Per Share	0.34	0.33

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:** We have been using modern machineries that 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

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. Musfiquur 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.Pharm	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.Pharm	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 In-charge Product Development/Research and Development (<i>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	Position/Post		Holding in other Venture
			(Years)	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	6,020,000	6.02%
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 Extraordinary General Meeting (EGM) dated March 18, 2012.

- (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), 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	4,940,000	4.94%
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	570,000	0.57%
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	670,000	0.67%
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.	1205690063398724	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.	1205690063397117	380,000	0.38%
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,	1201510042086089	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, Dhaniala, 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	Abu Zafor Mohammad Rafique Hasnat	Shareholder	House No. # 57/12, East Rajabazar, Tejgaon, Dhaka-1215	1205690063398692	100,000	0.10%
70	Nuruzzaman Chowdhury	Shareholder	60/3 NayaPaltan (5th Floor), Dhaka-1000.	1202900000012149	100,000	0.10%
			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	Name: Mrs. Silvana Mirza <i>Chairman</i> Address: Korsa-De-Carena, Plat- B2, House No. 57, Road No. 8/A, Dhanmondi, Dhaka-1209 Age: 39 Years Experience: 21 Years BO ID No.: 1205690064043271 TIN No.: 151031451854	2,910,000	2.91%	Al-Amin Agro Fisheries Complex Ltd. S. R. Fisheries & Dairy Farm Ltd. Adarsha Fisheries & Poultry Farm Ltd.	Director Director Chairman
2	Name: Mrs. Samina Mirza <i>Director</i> Address: Rita Kunja, Harinarayanpur, Maijdee, Noakhali Age: 32 Years Experience: 14 Years BO ID No.: 1205690064043298 TIN No.: 886950825425	2,910,000	2.91%	Adarsha Fisheries & Poultry Farm Ltd.	Director

3	Name: Mrs. Farhana Mirza <i>Director</i> Address: Road No. 114, Plot No. 35, Flat No. B2, Gulshan-2, Dhaka -1212 Age: 31 Years Experience: 13 Years BO ID No.: 1205690064043300 TIN No.: 421902433570	2,910,000	2.91%	Adarsha Fisheries & Poultry Farm Ltd.	Managing Director
4	Name: Md. Nazrul Islam Khan, Nominated by Investment Corporation of Bangladesh (ICB) <i>Director</i> Address: Flat No. A/5, 688, Bora Mogbazar Ramna-1217, Dhaka Age: 57 Years Experience: 33 Years BO ID No.: 1201530000003500 TIN No.: 643271524958	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
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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		Investment Corporation of Bangladesh (ICB)	
	No. of Share	%	No. of Share	%	No. of Share	%
20-Jun-02	500,000	5.09%	-	6.97%	-	30.00%
20-Feb-12	-		20,000		-	
30-Sep-15	590,000		2,000,000		-	
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		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 one 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.			
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- 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 Plant” 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)	16.25
Method 2: Historical Earnings based valuation	
Earnings based Value per share based on Overall Market P/E	10.43
Method 3: Average market price of similar stock based valuation	278.66

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	624,717,416
Total Shareholders' Equity (A)		1,624,717,416
Number of Share Outstanding as on 31 March, 2017 (B)		100,000,000
Net Asset Value per share (without revaluation reserve) as per Audited Report as on 31 March, 2017 (A/B)		16.25

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-12	12,000,000	42,667,969	0.12	5,224,649
31-May-13	12,000,000	44,871,225	0.12	5,494,436
31-May-14	12,000,000	49,321,188	0.12	6,039,329
31-May-15	12,000,000	51,958,088	0.12	6,362,215
30-Jun-16	50,000,000	74,724,574	0.51	38,124,783
Total	98,000,000	263,543,044	1.00	61,245,412
Weighted Average Net Profit after Tax				61,245,412
No. of shares outstanding before IPO				100,000,000
Weighted Average Earnings per share				0.61
Sectoral Market P/E (Pharmaceuticals & Chemicals) of 3 months from May-July, 2017				17.04
Earnings based Value per share				10.43

Calculation of Pharmaceuticals & Chemicals Sector Average P/E:

Particulars	May-16	Jun-16	Jul-16	Average
Sectoral Market P/E (Pharmaceuticals & Chemicals)	16.77	17.26	17.08	17.04

Source: DSE Monthly Review.

Method 3: Average market price of similar stock based valuation

Month end close price									
Sl.	Date	Ambee Pharmaceuticals Limited	Beacon Pharmaceuticals Limited	Beximco Pharmaceuticals Limited	Central Pharmaceuticals Limited	Orion Pharma Limited	Pharma Aids Limited	Renata Limited	Square Pharmaceuticals Limited
1	31-Aug-16	504.50	16.80	82.80	15.80	37.30	267.70	1,099.90	262.30
2	29-Sep-16	480.80	18.60	83.10	16.60	38.00	258.10	1,104.20	268.60
3	31-Oct-16	415.20	20.70	77.20	14.70	35.30	240.60	1,088.10	267.80
4	30-Nov-16	378.80	19.90	82.40	14.70	41.50	249.20	1,091.20	244.90
5	29-Dec-16	387.70	22.00	80.80	22.30	42.10	243.20	1,085.50	249.10
6	31-Jan-17	385.60	22.60	87.20	26.00	47.80	257.80	1,100.90	259.90
7	28-Feb-17	385.20	23.40	92.30	30.80	53.20	268.30	1,108.70	268.20
8	30-Mar-17	370.20	21.80	110.40	32.20	49.10	255.60	1,088.40	277.90
9	30-Apr-17	373.50	22.20	111.00	29.80	46.30	263.10	1,104.50	283.70
10	31-May-17	397.80	21.30	108.20	27.20	48.10	267.30	1,098.70	282.00
11	29-Jun-17	406.10	23.10	113.00	30.30	50.80	273.50	1,157.10	290.10
12	31-Jul-17	420.40	23.70	111.70	29.00	49.60	275.90	1,135.60	282.80
Average Price		408.82	21.34	95.01	24.12	44.93	260.03	1,105.23	269.78
Average Price of these 8 (Eight) Stocks									278.66

Source: DSE Monthly Review.

Average market price of similar stock based valuation (Assumption)

1. The average month end closing price of the peer Company from August, 2016 to July 2017 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 & SBLCLM-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 are 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:** Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

***Management Perception:** Our registered office and factory is situated at Maijdee Court, Noakhali, and corporate office is situated at Dhanmondi. At present our factory is on rented building. We have bought huge land at Miajdee so that we can shift soon.*

- 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:** The ultimate goal of the Company is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

***Management Perception:** Silva Pharmaceuticals Limited (SPL) has been profitable entity. It has potentiality to grow in future. We believe that our IPO offer price will not be lower 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:** In the context of Bangladesh Garments and Textiles Industries is the driving force of economy. Bangladesh is the second largest apparel exporter in the world after China. Bangladesh exported garment items worth \$25.50 billion in 2014-15 fiscal. Hence, in order to protect exchange risk Bangladesh Bank, for over the years, has done tremendous job to keep the exchange rate stable. Moreover, macro-economic variable which is beyond our control and exchange risk is adjusted with 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 does not use 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	29,280,000	29,280,000	29.28%	22.52%
2	Institutional	35,000,000	47,000,000	35.00%	36.15%
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 Repayment of Term Loan of NCC Bank Limited, Acquisition of Brand New Machinery & Equipment, Civil Construction of Factory Building and IPO Expenses.

Sl.	Particulars	Amount in Tk.
01	Repayment of Term Loan of NCC Bank Limited (Kawran Bazar Branch)	99,000,000
02	Acquisition of Brand New Machinery and Equipments	122,500,000
03	Civil Construction of Two Storied new factory building	56,000,000
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 Repayment of Term Loan of NCC Bank Limited, Acquisition of Brand New Machinery & Equipment, Civil Construction of Factory Building and IPO Expenses.

Sl.	Particulars	Amount in Tk.
01	Repayment of Term Loan of NCC Bank Limited (Kawran Bazar Branch)	99,000,000
02	Acquisition of Brand New Machinery and Equipments	122,500,000
03	Civil Construction of Two Storied new factory building	56,000,000
04	IPO Expenses (Detailed Breakdown of IPO Expenses in page number 102-103)	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 Slister 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

Details of Civil Construction:

The building will be constructed two storied (10,000 sft. each) with foundation of 5 Storied in the existing premises:

Sl. No.	Types of Work		Item Description	Item Name	Quantity	Unit	Unit Rate (Tk.)	Amount (Tk.)
1	Foundation	Piling Work	MS Rod	16 mm	30,000	Kg.	58	1,740,000
				10mm	12,200	Kg.	58	707,600
			Cement	Cement	4,300	Bag	450	1,935,000
			Fine Aggregate	Sylhet Sand	8,000	Cft	45	360,000
			Coarse Aggregate	¾" Shingles Stone Chips	16,000	Cft	180	2,880,000
		Pile Cap Work	Earth Cutting		10,000	Cft	12	120,000
			Pile Head Broken		500	Rft	110	55,000
			Pile Cap Casting	20mm	8,000	Kg.	58	464,000
			MS Rod	16mm	4,500	Kg.	58	261,000
			MS Rod	12mm	1,000	Kg.	58	58,000
			Pile Cap Bottom CC Casting	Cement	80	Bag	450	36,000
				Fine Aggregate (Local Sand)	440	Cft	15	6,600
				Coarse Aggregate (Picket)	500	Cft	95	47,500
			Brick Soling	Bangla Brick	6,000	Nos.	9	54,000
			Pile Cap Casting Material	Cement	1,250	Bag	450	562,500
				Fine Aggregate (Sylhet Sand)	2,500	Cft	45	112,500
				Coarse Aggregate (¾" Stone Chips)	4,500	Cft	180	810,000
		Short Column	MS Rod	20mm	3,300	Kg.	58	191,400
				10mm	800	Kg.	58	46,400
			Casting Material	Cement	70	Bag	450	31,500
				Sylhet Sand	120	Cft	45	5,400
				¾" stone Chips	260	Cft	180	46,800
		Grade Beam	MS Rod	20mm	3,800	Kg.	58	220,400
				16mm	2,400	Kg.	58	139,200
				10mm	1,900	Kg.	58	110,200

2	Ground Floor + 1 st Floor Civil Work		Casting Material	Cement	550	Bag	450	247,500
				Sylhet Sand	1,040	Cft	45	46,800
				¾" Stone Chips	2,080	Cft	180	374,400
		U.G.W.R	MS Rod	16mm	220	Kg.	58	12,760
				12mm	4,500	Kg.	58	261,000
				10mm	1,200	Kg.	58	69,600
			Casting Material	Cement	300	Bag	450	135,000
				Sylhet Sand	600	Cft	45	27,000
				¾" Stone Chips	1,300	Cft	180	234,000
		Septic Tank	MS Rod	12mm	2,100	Kg.	58	121,800
			Casting Material	Cement	150	Bag	450	67,500
				Sylhet Sand	280	Cft	45	12,600
				¾" Picket	600	Cft	90	54,000
		Pile Contractor Value		Pre-cast or Cast in situ pile work	9,000	Rft	125	1,125,000
		Column	MS Rod	20mm	12,000	Kg.	58	696,000
				10mm	3,100	Kg.	58	179,800
			Casting Material	Cement	250	Bag	450	112,500
				Sylhet Sand	500	Cft	45	22,500
				¾" Stone Chips	1,000	Cft	180	180,000
		Beam	MS Rod	20mm	7,000	Kg.	58	406,000
				16mm	4,600	Kg.	58	266,800
				10mm	3,600	Kg.	58	208,800
			Casting Material	Cement	1,200	Bag	450	540,000
				Sylhet Sand	2,000	Cft	45	90,000
				¾" Stone Chips	4,000	Cft	180	720,000
		Slab	MS Rod	12mm	4,200	Kg.	58	243,600
				10mm	27,000	Kg.	58	1,566,000
			Casting Material	Cement	2,800	Bag	450	1,260,000
				Sylhet Sand	2,600	Cft	45	117,000
				Local Sand	1,400	Cft	15	21,000
				¾" Picket	8,500	Cft	90	765,000
		Stair	MS Rod	16mm	500	Kg.	58	29,000
				12mm	1,000	Kg.	58	58,000
		Lintel	MS Rod	12mm	200	Kg.	58	11,600
				10mm	100	Kg.	58	5,800
			Casting Material	Cement	10	Bag	450	4,500
				Local Sand	20	Cft	15	300
				¾" Stone	50	Cft	90	4,500

				Chips				
		False Slab	MS Rod	12mm	500	Kg.	58	29,000
			Casting Material	Cement	10	Bag	450	4,500
				Local Sand	40	Cft	15	600
				¾”Stone Chips	60	Cft	90	5,400
		Brick Work	Brick Wall	1 st Class Brick	100,000	Nos.	11	1,100,000
				Cement	400	Bag	450	180,000
				Local Sand	2,400	Cft	15	36,000
		Plaster Work	Wall+ Ceiling Plaster	Cement	1,100	Bag	450	495,000
				Jamuna Sand	6,000	Cft	26	156,000
3	Civil Contractor Value		All Civil Work (Foundation + 1st Floor)	Civil Work	20,000	Sft	160	3,200,000
4	Tiles Work		Material	Tiles (including scutting, Toilet & stair)	15,500	Sft	110	1,705,000
				Cement	1,200	Bag	450	540,000
				Local Sand	5,600	Cft	15	84,000
5	Tiles Contractor Value			Tiles Fitting Labor Cost	15,500	Sft	15	232,500
6	Thai Aluminum Contractor Work Value			Thai Aluminum Material Rate Include Labor Cost	4,000	Sft	300	1,200,000
7	MS Grill Contractor Rate			Grill Material Rate Include Labor Cost	3,500	Sft	150	525,000
8	Door Work		Internal Door	Door+ Frame	15	Nos.	6,000	90,000
9	Electric Work		Electric Wire	Electric Cable	150	Coil	3,500	525,000
			Electric Material	Mk box, Electric Pipe, Bend, Socket etc Material	1		100,000	100,000
			Switch /Socket		800	Nos.	500	400,000
			SDB, Joint Box etc		1		50,000	50,000
10	Railing			Stair	250	Sft	300	75,000

11	Fire Extinguisher	20	set	5,000	100,000
12	Sandwich Pannel (For Production floor ceiling & room partition)	27,200	Sft	490	13,328,000
13	Epoxy Paint (For Production Area with side wall)	14,320	Sft	660	9,451,200
14	Carrying and others cost				1,089,140
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 the project.

- (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, Main Road, Maijdee Court, Noakhali & Binodpur, 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 meets its requirements.

Water:

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

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	Partial Repayment of Term Loan	99,000,000.00
2	Construction & Civil Works of Factory Building	56,000,000.00
3	Acquisition of Brand New Capital Machinery & Equipment	122,500,000.00
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	4,940,000	4.94%	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	570,00	0.57%	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	670,000	0.67%	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 Shaïd 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%	1205690063398724	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 Ahmmmed Siddique	Shareholder	380,000	0.38%	1205690063397117	20-Aug-04	3 Yrs.
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%	1201510042086089	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	Abu Zafor Mohammad Rafique Hasnat	Shareholder	100,000	0.10%	1205690063398692	20-Feb-17	1 Yr.
70	Nuruzzaman Chowdhury	Shareholder	100,000	0.10%	1202900000012149	30-Sep-15	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.

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	<u>1,500,000,000</u>	<u>1,500,000,000</u>
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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	<u>500,000,000</u>	<u>380,000,000</u>
Total 10,00,00,000 ordinary shares of Taka 10/= each.	<u>1,000,000,000</u>	<u>500,000,000</u>

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	<u>346,000,000</u>	<u>319,063,000</u>
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	86,614,477	71,765,445

<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:	602,491,592	585,956,656

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
		311,090,311	308,943,025
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		(148,302)	(496,488)
Total consumption		310,942,009	308,446,537
Add: Manufacturing Overhead	Note- 20.04	34,402,262	31,604,014
Add: Depreciation		45,560,900	37,629,958
Cost of production		390,905,171	377,680,509
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

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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

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	-
SR Fisheries and 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	Cephadrine BP (Compacted)	2,225.85	4,652.83	10,356,491	9,954,984
6	Cephadrine 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	SR 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 Ahmmed 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 Ahmmed	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 Ahmmed	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	30.06.2016	30.06.2016	
	Ratio	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	2015	
	Ratio	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	2014	
	Ratio	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	2013	
	Ratio	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:

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. 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	31-May-13
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**

Query No. 01.

It is observed at the company has restated the financial statements for the year ended 31 March 2015 but did not provide detail disclosure regarding reclassification in line with the paragraph 41 of BAS – 1;

Response to the above:

Management have restated the financial statements for the year ended 31st May 2015 and the opening balance of that year (i.e. 1st June 2014) in the financial statements 30th June 2016 for the purpose of incorporating the deferred tax accounts as per BAS-12. In the Financial Statements of June 30, 2016, management has disclosed the matter of restatement and rearrangement in the policy note no.-2.12 which was as follows:

- a. Advance Income Tax in the previous years were over adjustment by Tk. 98,27,511.00 and necessary correction is made by adding Tk. 98,27,511.00 as at 01 June 2014 with re-stated financial statements and corresponding Tax provision was credited by the same amount.
- b. Provision for Income Tax were under provision by Tk. 4,49,59,905.00 for compensate the deferred tax liability, now necessary correction is made by adding Tk. 4,49,59,905.00 in the re-stated financial statements as at 01 June 2014.
- c. Retained Earnings were overcharged by Tk. 3,51,32,394.00 in the previous years as a result of (a) & (b) mentioned above, now necessary correction is made in the re-stated financial statements as at 01 June 2014 by subtracting the same amount.
- d. Accordingly, deferred tax liability was created by the amount of Taka 6,11,14,751.00 in the re-stated financial statement as at 01 June, 2014.

Query No. 02.

The company in its financial statements prepared for the period March 31, 2017 and for the previous year ended on March 31, 2016 shown the Turnover of Tk. 43,32,48,061 & Tk. 42,77,75,760 respectively, You are required to submit Invoices, summary list along with reconciliation and bank statement for justification for Turnover;

Response to the above:

Silva Pharmaceuticals Limited is engaging to produces and marketing about 114 pharmaceutical products all over the Bangladesh. The company is distributing its products by 12 depots. There are about 22,000 customers (Pharmacy/Chemist) to whom company sells its products. In every month, the company produced about 2-3 sales invoices for each chemist/pharmacy. Hence, it is difficult to submit the huge volumes of sales invoices. Managements are submitting herewith a summary of sales statement of Comilla and Noakhali DMO for 10 days (i.e. October 01-10, 2016) and a sales statement of Noakhali DMO for one month (i.e. January 01-31, 2016) as to support to

turnover for period ended March, 2017 and for the period ended March, 2016 respectively as sample basis.

Query No. 03.

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 have made a trust deed on 16th November 2017, which was registered accordingly, the company have also open a bank account in the name of the trust and transferred WPPF money to that bank account. A copy of registered trust deed is enclosed herewith. Management has ensured that from now and onward the company will comply the Bangladesh Labor (Amendments) Act, 2013.

Query No. 04.

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. Your are required to explain on the same and also to comply with the Bangladesh Labour Act 2006 (Amendments in 2013);

Response to the above:

The management had recognized Workers' Profit Participation and Welfare Fund (WPPF) from 01 June, 2015.

Query No. 05.

It is observed that inventories and Trade Receivables are 32.82% and 35.94%, which seems very high with total asset. Explain your position regarding the same;

Response to the above:

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 about 114 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 around 22,000 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.

Query No. 06.

In Note 22.00 you have mentioned as per negotiation with NCC Bank, the interest of Bank Loan is waived by bank since they paid the negotiable amount. Hence interest of Bank Loan was not charged in the accounts. You are required to explain regarding the same along following clarification and evidences as follows:

- When the company has taken loan?
- Why NCC bank has given waiver?
- How much interest on loan has been waived?
- Have you paid all amount of loan?
- Have you charged interest for all period?

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 approximately tk. 1.93 crore for the loan amount of Taka 9.90 crore 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 30.12.2017.
5	Have you charged interest for all period?	Yes, the Company has charged all interest relevant to all periods.

Query No. 07.

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 31.03.2017 are as follows:

Deed value of land (including registration costs)	Tk. 6,525,810.00
Land development costs	<u>Tk. 75,133,875.00</u>
Total costs	<u>Tk. 81,659,667.00</u>

Query No. 08.

Details of office building and decoration;

Response to the above:

Management has provided detailed information regarding building decoration, which is as follows:

Sl. No.	Particulars	Cost Amount in BDT	WDV as on 31-03-2017
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	12,600,676
2	Interior Decoration Work:		
	Factory	14,922,000	
	Corporate	10,778,000	
	Interior decoration has been done with melamine board ceiling work, wooden work, glass partition work, work station, lighting, painting, electric line and furniture work		
3	Other Expenses:		
	Labor expenses, Consumable items and others Expenses	1,410,191	
Total		33,885,191	12,600,676

Query No. 09.

Whether you have obtained balance confirmation certificates from all the parties of accounts receivables;

Response to the above:

The company has about 12,300 parties related to account receivables. Company sent balance confirmation letter to 600 parties out of them 458 parties confirmed their balances to us.

Query No. 10.

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 management of the company ensures that, Company had no any party with account receivables outstanding balance more than Tk. 1.00 crore as on 30-06-2016 and subsequently.

Query No. 11.

Subsequent balance of advance to parties with address of the parties and reasons of advances;

Response to the above:

Management has provided the subsequent advance balances (as on 30.06.2017) with the name of the parties, their address and reasons for given advances.

SL. No.	Party Name	Addresses	Reason of Advances	Amount as on 31-03-2017	Subsequent Balance as on 30-06-2017
1	Asia Plastic Container	89,Posta,Lalbagh, Dhaka-1211	Packing Materials Purchase	603,000	422,000
2	Bangladesh Scientific & Chemical Mart	Shahid Nazrul Islam Road, Hatkhola, Delwar Complex, Dhaka.	Raw Materials Purchase	2,454,000	718,000
3	Best Silica Gel Packaging	57/1 Ground Floor , Main Road , Kalyanpur, Dhaka	Packing Materials Purchase	660,000	162,000
4	Bhai Bhai Printing	Kazla, Vanga Press, Zatrabari, Dhaka.	Packing Materials Purchase	970,000	679,000
5	China Time Distributions	House# 19, Road # 9, DIT Project, Merul Badda, Dhaka.	Packing Materials Purchase	805,000	563,500
6	Creative Pharma Pack	116/C, Hazaribagh, Dhaka-1209	Packing Materials Purchase	703,000	492,100
7	Crystal Flexipack Ltd.	229, Nawabpur Road, Dhaka-1100	Packing Materials Purchase	635,000	444,000
8	Eastern Trade	21 Armanian Street, Armanitola,Mona Complex (G.Fl), Dhaka	Raw Materials Purchase	2,540,000	1,778,000
9	Famous Perfumery Suppliers	Shop # 38 , Mitfort Road, Dhaka	Raw Materials Purchase	2,150,000	505,000
10	Index Chemi	8/J, Armanian Street, Armanitola, Dhaka-1100.	Raw Materials Purchase	4,509,000	2,556,000
11	Master Simex Paper Ltd	74,Dilkusha C/A,(1st Floor), Dhaka.	Packing Materials Purchase	950,000	665,000
12	Metro Foils Ltd	H#170, Road#3, New DOHS, Mohakhali, Dhaka	Packing Materials Purchase	900,000	630,000

13	Oshadhi Industries Ltd	18 Gopibagh, Ist Lane , Dhaka - 1203	Packing Materials Purchase	750,000	525,000
14	Pharma Vintage	18 Gopibagh, Ist Lane , Dhaka - 1203	Packing Materials Purchase	900,000	630,000
15	Pharmaraw Bangladesh	Flat C1, House 12, Road 3, Dhanmondi , Dhaka - 1209	Raw Materials Purchase	3,400,000	380,000
16	Pharmatek Chemicals Ltd	19, Dhanmondi R/A, Road#7 , Dhaka - 1207	Raw Materials Purchase	3,009,000	2,107,000
17	S M Enterprise	19, Haranath Gosh Road, Lalbagh, Dhaka	Packing Materials Purchase	705,000	493,500
18	Bilmillah Traders	8/1, Jindhabahar, 2nd Lane, Dhaka	Packing Materials Purchase	900,000	630,000
19	Remo Chemicals Limited	235, Tejgaon Industrial Area , Dhaka - 1208	Raw Materials Purchase	2,824,000	1,976,000
20	S L Corporation	Bismillah Bhaban (1st Floor), Shop#9, Mitford , Dhaka - 1100	Raw Materials Purchase	3,870,000	2,710,000
21	Shotez Enterprise	House # A/7, Road # 01, Sector-7, Pailabi, Mirpur, Dhaka - 1217	Raw Materials Purchase	4,675,000	1,272,000
22	Tanim Plastic Industries	Plot # 21, Block # I, Road # 3, Barabag, Mirpur-2 , Dhaka - 1216	Packing Materials Purchase	952,950	667,000
Total				39,864,950	21,005,100

Query No. 12.

A details break down including address, telephone number, other related documents and reconciliation against Accounts Receivables are required.

Response to the above:

Though the company is operating its business all over the Bangladesh and has about 12,300 parties related to accounts receivable, management has provided the detailed break down including address, telephone numbers, and other related documents of accounts receivables balances as on 31.03.2017 for Bogra DMO's as sample basis.

Query No. 13.

In the note the company has mentioned that it has no related party transaction. But it has been observed that the company has purchased land for the sponsor and rented its corporate office from its Director which is contradictory with the issue. Explain your position regarding the same;

Response to the above:

It was an unintentional mistake for not to disclosed information regarding related party transactions in the accounts March 31, 2017. Management has provided relevant related party transactions for the period ended 31. 03. 2017, which is as follows:

i. Payable with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Payable	Transaction during the period	Amount paid during the period	Balance Payable as at 31.03.2017
Mr. A. R. Hassan Mirza	Sponsor Shareholder	Office Rent	132,810	1,195,290	1,195,290	132,810
		Directors Remuneration	100,000	800,000	900,000	-
Dr. Saira Khan	Managing Director	Directors Remuneration	-	100,000	-	100,000
Mrs. Silvana Mirza	Chairman	Directors Remuneration	75,000	600,000	675,000	-

ii. Advances with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Balance	Transaction during the period	Adjustment made during the period	Total Balance as at 31.03.2017
Mrs. Sajeda Mirza	Sponsor Shareholder	Advance against Land purchase	98,500,000	29,200,000	-	127,700,000

Query No. 14.

In the Auditors certificate on Transaction above Tk. 5 lakh, it is mentioned that all receipts and payments above Tk. 5 lakh were made through banking channel but as per certificate of turnover it has been shown only cash transaction which is self contradictory and violation of the condition no. 6 of the consent letter dated 17.02.2016. Explain your position regarding the same;

Response to the above:

The company has around 22,000 customers across the country from which company's appointed Medical Promotion Officer (MPO) collect sales proceeds and deposits the sales proceeds at depots. The company has to expend a few petty cash expenses at the depots and rest of the amount is deposited to company's bank account. The company sells their products directly to the retailers, i.e. Chemist/Pharmacy. They supplied their products more than 22,000 pharmacy on an average 90 to 120 days' credit basis. Each sales invoice does not exceed more than Tk. 500,000.00. Hence, collection from one single customer for a single order is less than Tk. 500,000.00.

Query No. 15.

Whether you have obtained balance confirmation certificates from all the parties of accounts receivables (note 6.00);

Response to the above:

The company has about 12,300 parties related to account receivables. Company sent balance confirmation letter to 600 parties out of them 458 parties confirmed their balances to us.

Query No. 16.

Information as per requirement of schedule XI part I para 4 are not disclosed;

Response to the above:

Information required as per schedule XI part I para 4 of the Companies Act, 1994 for the period ended 31 March, 2017 are given in the note no. 7.00, which was as follows:

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	
		31.03.2017	30.06.2016
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.	269,638,040	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:		269,638,040	283,685,666

Query No. 17.

Details information regarding advance to income tax with subsequent balance there on;

Response to the above:

Information regarding advance to income tax with subsequent balance thereon are follows:

Advance Income Tax: Details are shown in below:

Sl. No.	Name of The Financial Year	Balance as on 31/03/2017(Taka)	Subsequent Balance as on 30/06/2017(Taka)
1	2013-2014	12,517,600.00	-
2	2014-2015	20,886,984.00	12,697,066.00
3	2015-2016	34,504,622.00	34,504,622.00
4	2016-2017	20,356,305.00	20,356,305.00
Total		88,265,511.00	67,557,993.00

Query No. 18.

On above, Noakhali Oil Refinery Ltd. Has taken lease. How Silva Pharmaceuticals Limited has mortgaged the same land to the bank who is not the owner of the Land? Explain your position regarding the same;

Response to the above:

Noakhali Oil Refinery Ltd. and Silva Pharmaceuticals Limited is operating under common management. Management had given the lease land of Noakhali Oil Refinery Ltd. against the loan of Silva Pharmaceuticals Limited as third party mortgaged.

Query No. 19.

As per the Audited Financial statements for the year ended 31 March 2017 the company has shown Tk. 62,47,17,416 as Retained earnings and Tk. 12,00,00,000 as FDR totaling to Tk. 74,47,17,417 which is enough for further expansion of business and repayment of loan. Why does the company need additional fund from IPO? Justify the reason regarding the same;

Response to the above:

Management has described use of net proceeds from IPO for Repayment of Bank Loan Tk. 9.90 crore, Machinery & Equipments Tk. 12.25 Crore and Civil Construction of Tk. 5.60 crore. This amount is only for IPO fund Utilization but our total Expansion cost is more than this amount. The balance amount will be managed by the company's own cash flows.

Since, company's paid up capital exceeds tk. 50 Crore, Management are 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 amount tk. 62,47,17,416 was already invested and the FDR amount tk. 12.00 crore will be used for additional money as expansion purpose.

Query No. 20.

As per consent dated 17.02.2016 the company has raised Tk. 35.00 crore out of which Tk. 12.00 crore has not be deployed rather it is kept as FDR. It appears that the company could not utilize its entire fund from raising of capital. Why does the company need further fund from the general public is not understandable?

Response to the above:

In the prospectus page-206, management described the use of proceeds from IPO, which was as follows:

Repayment of Bank Loan	Tk. 9.90 crore,
Machinery & Equipments	Tk. 12.25 Crore
Civil Construction of Factory Building	Tk. 5.60 crore.
IPO expenses	<u>Tk. 2.25 crore</u>
Total	<u>Tk. 30.00 crore</u>

But total Expansion cost is more than Tk. 30.00 crore. The balancing amount will be funded by the company's cash flows including FDR amount Tk. 12.00 crore. Management had disclosed it in the Feasibility Report

Query No. 21.

As per the Audited Financial statements as at 31 March, 2017 Current Portion of Long Term Loan is shown Tk. 9.90 crore. But in the Audited Financial statements for the year ended 30 June 2016 it was Tk. 9,70,39,783 and Tk. 1,54,16,826 was repaid to the bank. Explain your position regarding the same along with detail calculation and bank statement;

Response to the above:

As per the Audited Financial statements as at 31 March 2017 Current Portion of Long Term Loan is shown Tk. 9.90 crore. The above amount is made up as follows;

Long Term Loan Balance as on 31.03.2017.

Long Term Loan net-off Current Maturity were Taka	=9,70,39,783.00
<u>Long Term Loan of Current Maturity portion were Taka</u>	<u>=1,73,77,043.00</u>
Total Long Term Loan as on 30.06.2016 were Taka	=11,44,16,826.00
Less: Paid during the period ended were Taka	= 1,54,16,826.00
<u>Remaining Balance as on 31.03.2017 Taka</u>	<u>= 9,90,00,000.00</u>

Bank statement is attached herewith **Annexure-A-07**.

Query No. 22.

As per the Cash Flow Statements as at 31 March 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:

Received tk. 34,60,00,000 as share money deposit from the shareholders for issuance of share to increase paid up capital against the consent of Bangladesh Securities and Exchange Commission dated 17 February, 2016 ref. BSEC/CI/CPLC-498/2015/105 for raising paid up capital. The share money was obtained to perform the following activities:

- | | |
|---|---------------------|
| 1. Loan repayment amount | Tk. 13,00,00,000.00 |
| 2. Construction of Factory building & acquisition of Plant and machineries etc. | Tk. 8,64,00,000.00 |
| 3. FDR for further expansion | Tk. 12,00,00,000.00 |
| 4. Advance payment for land purchase | Tk. 2,92,00,000.00 |

Query No. 23.

As per the Audited Financial statements as at 31 March 2017 in Note 5.00 under Capital Work in progress an amount of Tk. 3,61,59,198 is shown as Transfer to assets during the period. Explain regarding the same in line with accounting standard;

Response to the above:

At the time of financial statements preparation, the assets which were not completed, management shown that assets under the head of work in progress account and all expenses that were incurred charged to capital work in progress accounts as per para 10 of BAS 16. When assets are completed and available for use as intended by the management, the assets are transferred to the relevant asset account heads.

Query No. 24.

As per the Audited Financial statements as at 31 March 2017 in Note 7.00 under Trade & Other Receivables and amount of Tk. 20,99,013 is shown as Interest Receivable which is not understandable. Explain regarding the same along with calculation;

Response to the above:

The interest receivable of Taka 20,98,013.00 was arises from the FDR amount tk. 120,000,000 as on 31.03.2017. The calculations of the same are given below:

Investment				Rate of Interest	Days up to 31.03.2017	Amount in Taka
Date	Matured Date	Bank	Amount			
18.12.2016	18.12.2017	Union Bank	60,000,000	7.00%	104	1,196,712
27.12.2016	27.12.2017	Union Bank	15,000,000	7.50%	95	292,808
01.01.2017	01.01.2018	Union Bank	5,000,000	7.50%	90	92,466
15.01.2017	15.01.2018	Union Bank	10,000,000	7.50%	76	156,164

17.01.2017	17.01.2018	Union Bank	20,000,000	7.50%	74	304,110
23.02.2017	23.02.2018	Jamuna Bank	10,000,000	5.50%	37	55,753
Total			120,000,000			2,098,013

Query No. 25.

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" 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

Query No. 26.

Separate break-up of salary & wages as disclosed in note 20.04;

Response to the above:

Separate break-up of salary & wages are as follows:

Particulars	Amount in Tk.
Salary	61,22,430.00
Wages	70,01,593.00
Total Salary and Wages	1,31,24,023.00

Query No. 27.

Detailed calculation of WPPF as disclosed in note 18.01 of the accounts;

Response to the above:

WPPF calculated @ 5% of net profit after charging the WPPF but before Income tax. Detail calculation of WPPF is as follows:

$$\begin{aligned}
 &= \frac{\text{Net profit before WPPF} \times 5}{105} \\
 &= \frac{9,23,98,243 \times 5}{105} \\
 &= 4,399,916.00
 \end{aligned}$$

Query No. 28.

Detail list of vehicle as shown in Annexure-A of the accounts for the period ended 31st March, 2017'

Response to the above:

Detail list of transport as shown in Annexure-A of the accounts for the period ended 31st March, 2017 are as follows:

Summary of Motor Vehicle schedule

Sl. No.	Brand Name	Capacity	Country of Origin	Unit	Cost Amount in BDT
1	Toyota Car	1500 CC	Japan	07 Nos	8,050,000.00
2	Toyota Car	1300 CC	Japan	08 Nos	8,160,000.00
3	Toyota Premio	1790 CC	Japan	01 Nos	1,500,000.00
4	Toyota Rom	1600 CC	Japan	01 Nos	1,400,000.00
5	Toyota Car	1000 CC	Japan	02 Nos	1,500,000.00
6	Toyota Laxsus Jeep	4663 CC	Japan	01 Nos	9,000,000.00
7	Kia Jeep	1998 CC	Korea	01 Nos	4,500,000.00
8	Toyota Covered Van	2290 CC	Japan	01 Nos	1,200,000.00
9	Toyota Pick Up	1800 CC	Japan	04 Nos	4,000,000.00
10	Toyota Pick Up	1500 CC	Japan	05 Nos	4,500,000.00
11	Toyota Pick Up	1781 CC	Japan	01 Nos	1,100,000.00
12	Toyota Cover Van	3000 CC	Japan	01 Nos	1,500,000.00
13	Hino Truck	6720 CC	Japan	01 Nos	2,000,000.00
14	Toyota Micro	1998 CC	Japan	01 Nos	1,200,000.00
15	Hiro Honda	100 CC	India	267 Nos	25,377,151.00
Total				302 Nos.	74,987,151.00

Query No. 29.

Break-up of cash payment to others in the Cash Flows Statement is to be provided;

Response to the above:

Break-up of cash payment to others is as follows:

Cash Paid for Others

Administrative Expenses	18,033,777	16,865,810
Selling & Distribution Expenses	63,835,765	46,903,319
Total Operating Expense	81,869,542	63,769,129
Add: Opening Other accrued Liabilities for Expenses	10,605,082	5,812,912
Less: Closing Other accrued Liabilities for Expenses	(16,077,839)	(8,244,459)
	76,396,785	61,337,582
Add: Closing Advance deposit & prepayment	63,701,111	39,417,538
Less: Opening Advance deposit & prepayment	(36,557,766)	(24,432,055)
	103,540,130	76,323,065
Add: Worker's Profit Participation fund (WPPF)	4,399,916	3,814,732
Less: Cash paid to Employee	(53,800,851)	(38,369,493)
Less: Depreciation Expense	(2,538,229)	(1,965,110)
	51,600,966	39,803,194

Query No. 30.

Details of capital work-in-progress incurred as shown in note 5.00 of the financial statements for the period ended 31st March, 2017 and subsequent status thereon;

Response to the above:

Details of capital work-in-progress incurred as shown in note 5.00 of the financial statements for the period ended 31st March, 2017 and subsequent status thereon is as follows:

Particulars	Opening Capital WIP as on 01.07.2016	Addition during the period	Total as on 31.03.2017	Transfer to Asset	Closing Capital WIP as on 31.03.2017	Subsequent Position as on 30.06.2017
Plant & Machinery	18,865,933	24,117,635	42,983,568	19,085,933	23,897,635	-
Building Decoration	7,515,285	29,208,000	36,723,285	-	36,723,285	36,723,285
Electrical Installation	6,300,000	3,162,500	9,462,500	-	9,462,500	9,462,500
Office Equipment	1,765,933	52,430	1,818,363	1,818,363	-	-
Factory Equipment	4,047,495	2,185,600	6,233,095	4,097,595	2,135,500	-
Furniture and Fixture	3,557,500	-	3,557,500	3,557,500	-	-
Vehicle	4,462,250	8,667,400	13,129,650	4,462,250	8,667,400	-
Laboratory Equipment	3,137,557	-	3,137,557	3,137,557	-	-
Factory Building	69,247,442	19,057,450	88,304,892	-	88,304,892	88,304,892
Total	118,899,395	86,451,015	205,350,410	36,159,198	169,191,212	134,490,677

Query No. 31.

You have not included addresses of parties in Annexure B(I);

Response to the above:

Name and address of the parties shown in Annexure B (1) of the Financial statements is as follows:

Sl. No.	Name of Parties/DMO's	DMO Addresses
1	Barisal	Samir Kunja, H# 960, Uttar Sagordi, Barisal - 8200
2	Bogra	House # 352, Panir Tanki Road, Boxi Bazar, Malotinagar, Bogra-5800
3	Chittagong	Plot # 3185, East Nasirabad, O.R. Nizam Road, Dampara, Chittagong-3800
4	Comilla	Faruk Tower, H # 1, Race Couse, Dhanmondi Road, Comilla-3500
5	Dhaka	Rita Kunju, 169 Boro Mogh Bazar, Doctor's Lane, Dhaka -1217
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	Noakhali	Kazi Colony (Near Alamin Guest House), Maijdee-3800
10	Rajshahi	House# 81, Sector#02, Upashahar, Rajshahi -6002
11	Rangpur	Dhap Sagorpara (Beside Rangpur Medical College), -5400
12	Sylhet	Abdul Motin Villa, Kolbakhani, H # 7, Sylhet-3100

Query No. 32.

Month-wise gross sales & amount of VAT;

Response to the above:

The month-wise gross sales& amount of VAT for the period ended 31st March, 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	55,435,810.62	8,054,573.42	47,381,237.20
2	August	55,937,964.34	8,127,534.09	47,810,430.25
3	September	54,543,837.43	7,924,973.73	46,618,863.70
4	October	56,534,682.67	8,214,234.57	48,320,448.10
5	November	54,672,883.20	7,943,723.50	46,729,159.70
6	December	53,052,119.67	7,708,233.87	45,343,885.80
7	January	58,530,423.82	8,504,206.77	50,026,217.05
8	February	58,780,763.26	8,540,579.96	50,240,183.30
9	March	59,409,579.94	8,631,944.19	50,777,635.75
Total		506,898,064.95	73,650,004.10	433,248,060.85

Query No. 33.

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.

Query No. 34.

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 31st March, 2017 is as follows:

Particulars	Amount in BDT.
Carrying Value of Property, Plant & Equipment	682,967,440.00
As Tax Base	447,539,991.00
Temporary Difference	235,427,449.00
Deferred Tax Liabilities @35%	82,399,607.00

The Tax Base Fixed Assets schedule is given below:

Particulars	Cost			Rate (%)	Depreciation			Written Down Value as at 31 March, 2017
	Balance as on 01 July, 2016	Addition during the period	Balance as on 31 March, 2017		Balance as on 01 July, 2016	Charge during the period	Balance as on 31 March, 2017	
Land & Land Development	81,659,667	-	81,659,667	0%	-	-	-	81,659,667
Plant & Machinery	536,697,545	19,085,933	555,783,478	20%	381,115,943	26,200,130	407,316,073	148,467,405
Generator	12,396,170	-	12,396,170	20%	10,090,733	345,816	10,436,549	1,959,621
Building Renovation Decoration	33,885,191	-	33,885,191	20%	27,735,233	922,493	28,657,726	5,227,465
Electrical Installation	4,300,101	-	4,300,101	20%	3,557,834	111,340	3,669,174	630,927
Gas Installation	389,890	-	389,890	20%	330,741	8,872	339,613	50,277
Office Equipment	26,868,154	1,818,363	28,686,517	20%	17,001,882	1,752,695	18,754,577	9,931,940
Factory Equipment	27,499,742	4,097,595	31,597,337	10%	11,909,273	1,476,605	13,385,878	18,211,459
Furniture and Fixture	27,317,896	3,557,500	30,875,396	10%	14,170,498	1,252,867	15,423,365	15,452,031
Vehicle	70,524,901	4,462,250	74,987,151	20%	54,546,401	3,066,113	57,612,514	17,374,637
Power House	1,195,705	-	1,195,705	20%	1,008,927	28,017	1,036,944	158,761
Laboratory Equipment	25,882,905	3,137,557	29,020,462	20%	18,426,038	1,589,164	20,015,202	9,005,260
Factory Building	249,907,540	-	249,907,540	10%	99,193,442	11,303,557	110,496,999	139,410,541
Total	1,098,525,407	36,159,198	1,134,684,605		639,086,945	48,057,669	687,144,614	447,539,991

Query No. 35.

Specify update status of provision for expenses as shown in note 18.00;

Response to the above:

The updated status of provision for expenses as on 31st March, 2017 is as follows:

Particulars	Status as on 31.03.2017	Status as on 30.06.2017
Directors Remuneration	100,000	-
Field Forces Expenses	203,658	-
Utilities	190,277	-
Office Rent	195,850	-
Salary & Wages	5,075,654	-
Audit Fees	86,250	-
Overtime	51,765	-
Printing & Stationery	26,425	-
Worker's Profit Participation Fund (WPPF)	10,147,960	10,147,960
Provision for Income Tax	98,435,820	86,614,477
Total	114,513,659	96,762,437

Query No. 36.

Detailed of land development expenses;

Response to the above:

The detailed of land and land development expenses as on 31st March, 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

Query No. 37.

Separate disclosers of Finished Goods & Work-In-Process as shown in note 6 & 20 with quantity wise information;

Response to the above:

Separate disclosers with quantity wise information regarding finished goods and work-in-process as on 31st March, 2017 is as follows:

Finished Goods:

Sl. No.	Name of the Product	Unit	Quantity	Rate	Amount in Taka
1	Actisal 1 Tablet	Pcs	9,654	18.050	174,254.70
2	Actisal 2 Tablet	Pcs	4,152	24.600	102,139.20
3	Actisal Syrup 100 ml	Phs	18,546	16.550	306,936.30
4	Actisal Syrup 50 ml	Phs	22,514	11.110	250,130.54
5	Actulose Oral Solution 100ml	Phs	19,587	40.300	789,356.10
6	Actulose Oral Solution 200ml	Phs	14,252	76.450	1,089,565.40
7	Aerodyl 10 Tablet	Pcs	16,541	55.310	914,882.71
8	Aerodyl 20 Tablet	Pcs	25,401	91.790	2,331,557.79
9	Aerodyl Oral Solution	Phs	17,475	13.120	229,272.00
10	Aerofen Syrup	Phs	4,514	24.88	112,308.32
11	Aerofen Tablet	Pcs	9,658	16.030	154,817.74
12	Alvital Tablet(30's)	Pcs	34,657	53.92	1,868,705.44

13	Alvolex Syrup	Phs	5,687	16.170	91,958.79
14	Ambosil Paediatric Drops	Phs	14,658	8.120	119,022.96
15	Ambosil Syrup 100 ml	Phs	11,542	50.51	582,986.42
16	Anfasil 150 Capsule	Pcs	6,598	23.020	151,885.96
17	Anfasil 50 Capsule	Pcs	7,452	28.040	208,954.08
18	Anfasil PFS	Phs	5,468	12.360	67,584.48
19	Arnex 500 Tablet	Pcs	6,875	67.080	461,175.00
20	Atechlor 100 Tablet	Pcs	7,584	37.420	283,793.28
21	Atechlor 50 Tablet	Pcs	8,523	33.600	286,372.80
22	Calsil 500 Tablet	Pcs	8,574	16.470	141,213.78
23	Calsil M Tablet (30's)	Pcs	29,754	16.270	484,097.58
24	Calsil Plus Tablet (30's)	Pcs	8,547	34.28	292,991.16
25	Calsil Plus Tablet (60's)	Pcs	34,657	65.50	2,270,033.50
26	Calsil Plus Tablet(15's)	Pcs	35,648	21.35	761,227.39
27	Capcee TR Capsule	Pcs	5,241	60.510	317,132.91
28	Cartil Tablet	Pcs	8,654	43.940	380,256.76
29	Cesil Syrup 60ml	Phs	10,654	11.680	124,438.72
30	Cesil Tablet	Pcs	8,754	17.590	153,982.86
31	Cipronil PFS 60 ml	Phs	6,548	39.490	258,580.52
32	Cipronil-500 Tablet	Pcs	45,782	69.07	3,162,162.74
33	Cipronil-750 Tablet	Pcs	9,654	36.890	356,136.06
34	Codlivit Syrup 100 ml	Phs	8,546	20.670	176,645.82
35	Codlivit Syrup 200 ml	Phs	9,654	36.090	348,412.86
36	Devomit Tablet	Pcs	16,541	38.80	641,790.80
37	Domsil DT	Pcs	25,401	75.83	1,926,157.83
38	Domsil Suspension 100ml	Phs	7,485	15.860	118,712.10
39	Domsil Suspension 60ml	Phs	24,514	11.100	272,105.40
40	Domsil Tablet	Pcs	9,658	27.680	267,333.44
41	Duet Tablet (Regular)	Pcs	5,421	141.65	767,884.65
42	Duet Tablet(Display)	Pcs	27,754	115.010	3,191,987.54
43	Esypan 0.5 Tablet	Pcs	19,546	8.440	164,968.24
44	Esypan 2 Tablet	Pcs	17,451	13.280	231,749.28
45	Esypan Drops	Phs	19,654	9.140	179,637.56
46	Famina Z Capsule	Pcs	8,546	49.640	424,223.44
47	Feosil-Z Capsule	Pcs	9,654	22.850	220,593.90
48	Fluvas 20 Capsule	Pcs	16,541	31.460	520,379.86
49	Glicasil Tablet	Pcs	25,401	29.570	751,107.57
50	Gluphage XR Tablet	Pcs	7,485	18.710	140,044.35
51	Kontrol TR 100 Cap	Pcs	4,514	25.240	113,933.36
52	Koreg 12.5 Tablet	Pcs	9,658	16.280	157,232.24
53	Koreg 6.25 Tablet	Pcs	45,421	11.150	506,444.15
54	Lirel Plus Tablet	Pcs	17,754	38.220	678,557.88
55	Lirel Tablet	Pcs	9,546	20.650	197,124.90
56	Macrozith 250 Capsule	Pcs	7,451	27.780	206,988.78
57	Macrozith 500 Tablet	Pcs	9,654	68.05	656,954.70
58	Macrozith GFS 15 ml	Phs	8,546	34.770	297,144.42

59	Macrozith GFS 25 ml	Phs	9,654	52.050	502,490.70
60	Metlife-500 Tablet	Pcs	16,541	40.580	671,233.78
61	Metlife-850 Tablet	Pcs	25,401	30.640	778,286.64
62	Metrosil 400 Tablet	Pcs	7,485	67.700	506,734.50
63	Metrosil Suspension	Phs	14,514	16.410	238,174.74
64	Multi Gold Tablet (30's)	Pcs	9,658	62.39	602,562.62
65	Multi Silver Tablet (30's)	Pcs	5,421	33.980	184,205.58
66	Multitonic Syrup 100ml	Phs	7,754	34.17	264,954.18
67	Multitonic Syrup 100ml	Phs	9,546	23.440	223,758.24
68	Multitonic Syrup 200ml	Phs	7,451	58.74	437,671.74
69	Neurex-B Tablet	Pcs	2,574	49.49	127,387.26
70	Neurotin-300 Tablet	Pcs	6,954	51.710	359,591.34
71	Neurotin-600 Tablet	Pcs	4,521	61.210	276,730.41
72	Omesil 20 Capsule	Pcs	9,654	72.42	699,142.68
73	Omesil 40 Capsule	Pcs	8,546	25.050	214,077.30
74	Orifen Tablet	Pcs	9,654	85.40	824,451.60
75	Pantosil 20 Tablet	Pcs	16,541	46.45	768,329.45
76	Pantosil 40 Tablet	Pcs	25,401	38.540	978,954.54
77	Piomet-500 Tablet	Pcs	7,485	20.520	153,592.20
78	Piomet-850 Tablet	Pcs	4,514	27.980	126,301.72
79	Preduet Suspension	Phs	9,658	12.690	122,560.02
80	Preduet Tablet	Pcs	45,421	80.090	3,637,767.89
81	Prenatal Capsule	pkt	7,754	20.730	160,740.42
82	Prentox Tablet	Pcs	9,546	23.320	222,612.72
83	Probac PFS 70 ml	Phs	7,451	70.920	528,424.92
84	Probac-250 Tablet	Pcs	26,412	115.14	3,041,077.68
85	Probac-500 Tablet	Pcs	9,654	109.73	1,059,333.42
86	Ramipress 1.25 Tablet	pkt	18,546	9.800	181,750.80
87	Ramipress 2.5 Tablet	Pcs	9,654	14.040	135,542.16
88	Ramipress 5 Tablet	Pcs	16,541	19.480	322,218.68
89	RT 150 Tablet	Pcs	25,401	117.74	2,990,713.74
92	Serifen 300 Tablet	Pcs	7,485	67.850	507,857.25
93	Serifen 400 Tablet	Pcs	4,514	82.130	370,734.82
94	Sicef 500 Capsule	Pcs	9,658	85.64	827,111.12
95	Sicef DS PFS 100ml	Phs	45,421	119.15	5,411,912.15
96	Sicef DS. PFS 60ml	Phs	7,754	31.310	242,777.74
97	Sicef Pediatric Drops	Phs	9,546	18.840	179,846.64
98	Sicef PFS 100 ml	Phs	7,451	31.540	235,004.54
99	Sifen 50 Tablet	Pcs	14,157	15.840	224,246.88
100	Sifen TR Capsule	Pcs	21,547	144.43	3,112,033.21
101	Silox 250 Capsule	Pcs	6,352	76.960	488,849.92
102	Silox 500 Capsule	Pcs	5,241	96.900	507,852.90
103	Silox Powder for Susp.	Phs	3,642	27.630	100,628.46
104	Simox 250 Capsule	Pcs	9,654	92.830	896,180.82
105	Simox 500 Capsule	Pcs	3,841	83.620	321,184.42
106	Simox DS. PFS	Phs	4,521	28.070	126,904.47

107	Simox Pediatric Drops	Phs	6,323	12.790	80,871.17
108	Simox Powder for Susp.	Phs	6,548	20.820	136,329.36
109	Sleepon-1 Tablet	Pcs	6,542	20.240	132,410.08
110	Sleepon-2 Tablet	Pcs	4,152	31.880	132,365.76
111	Sputen Syrup 100 ml	Phs	9,654	18.300	176,668.20
112	Supraxim PFS 30 ml	Phs	4,152	26.080	108,284.16
113	Supraxim PFS 50 ml	Phs	18,546	53.79	997,589.34
114	Supraxim-200 Capsule	Pcs	22,514	45.98	1,035,193.72
115	Timem Tablet	Pcs	19,587	50.47	988,555.89
116	Tivanik 250 Tablet	Pcs	4,252	56.480	240,152.96
117	Tivanik 500 Tablet	Pcs	16,541	69.760	1,153,900.16
118	Torolac-10 Tablet	Pcs	25,401	28.75	730,278.75
119	Tralin 100 Tablet	Pcs	7,485	79.580	595,656.30
120	Tralin 25 Tablet	Pcs	14,514	53.030	769,677.42
121	Tralin 50 Tablet	Pcs	9,658	45.280	437,314.24
122	Trilix 1.5 SR Tablet	Pcs	45,421	69.350	3,149,946.35
123	Valpress 80 Capsule	Pcs	7,754	83.080	644,202.32
124	Vasopin 10 Tablet	Pcs	19,546	8.400	164,186.40
125	Vasopin 5 Tablet	Pcs	17,451	7.010	122,331.51
126	Vasopin-50 Plus Tablet	Pcs	26,412	11.380	300,568.56
127	Vitasil B Syrup 100ml	Phs	9,654	16.050	154,946.70
128	Vitasil B Syrup 200ml	Phs	8,546	28.820	246,295.72
129	Vitasil B Tablet	Pcs	9,654	10.310	99,532.74
130	Vitasil M Tablet	Pcs	16,541	13.660	225,950.06
131	Xinoplex I Syrup 100 ml	Phs	25,401	19.790	502,685.79
132	Xinoplex I Syrup 200 ml	Phs	17,485	33.050	577,879.25
133	Xinoplex Syrup 100 ml	Phs	4,515	23.99	108,314.85
134	Xinoplex Syrup 200 ml	Phs	5,142	29.420	151,277.64
135	Zoxanid PFS 30 ml	Phs	14,157	10.920	154,594.44
136	Zoxanid PFS 60 ml	Phs	16,352	15.030	245,770.56
137	Zoxanid Tablet	Pcs	7,555	62.010	468,486.55
138	Z-sil DT Dispersible Tablet	Pcs	6,514	25.790	167,996.06
139	Z-sil Syrup 100 ml	Phs	6,474	16.500	106,821.00
140	Z-sil Syrup 200 ml	Phs	4,521	26.340	119,083.14
Total					82,758,645.22

Work-in-process:

Sl. No.	Name of Product	Stage of completion	QTY (pcs)	Rate	Amount in Taka
1	Alvital Tablet(30's)	Packing	33,540	0.67	22,381
2	Calsil Plus Tablet	Blistering	300,000	0.13	37,830
3	Cipronil PFS 60 ml	Packing	11,936	38.81	463,253
4	Devomit Tablet	Blistering	336,480	0.60	202,124
5	Domsil	Packing	28,000	0.20	5,502
6	Duet Tablet (Regular)	Packing	581,600	0.58	334,885
7	Duet Tablet (Regular)	Blistering	600,000	0.32	194,580
8	Macrozith 500 Tablet	Packing	24,496	5.99	146,824

9	Macrozith GFS 15 ml	Packing	14,760	30.56	451,110
10	Macrozith GFS 25 ml	Filling & Sealing	12,472	45.82	571,527
11	Macrozith GFS 25 ml	Packing	3,942	45.82	180,641
12	Neurex-B Tablet	Packing	47,640	1.93	91,983
13	Neurex-B Tablet	Blistering	450,000	1.84	827,190
14	Omesil 20 Capsule	Blistering	552,600	0.34	186,613
15	Pantosil 20 Tablet	Packing	92,331	0.36	33,202
16	RT 150 Tablet	Packing	108,000	0.53	56,916
17	Timem Tablet	Packing	79,872	0.87	69,393
Total					3,875,955

Query No. 38.

List of person against whom share money was deposited as on 30-06-2016 and the number and amount of shares subsequently allotted to them;

Response to the above:

The company submits a list of person against whom share money was deposited as on 30-06-2016 and the number and amount of shares subsequently allotted to them is as follows:

Sl. No.	Name	Share Money Deposit	No. of shares allotted	Amount of allotted shares
1	Mrs. Saira Khan	40,000,000	4,000,000	40,000,000
2	Al Amin Agro Fisheries Complex Ltd.	40,000,000	4,000,000	40,000,000
3	S R Fisheries & Dairy Farm Ltd.	30,000,000	3,000,000	30,000,000
4	Adarsha Fisheries & Poultry Farm Ltd.	40,000,000	4,000,000	40,000,000
5	Mrs. Shamima Nasrin	1,000,000	100,000	1,000,000
6	Mr. M. Mominul Islam Sangram	1,000,000	100,000	1,000,000
7	Mrs. Kaniz Shabnam Mustari	1,000,000	100,000	1,000,000
8	Sayed Mohammad Haseeb	1,000,000	100,000	1,000,000
Total		154,000,000	15,400,000	154,000,000

Query No. 39.

Explain the item “Current portion of Long Term Loan” (Note 14.00);

Response to the above:

The company is need to pay long term loan amount tk. 9.9 crore within 30.12.2017. Hence, the whole amount of long term loan becomes current portion of long term loan.

Query No. 40.

Whether you have made physical verification of inventories as on March 31, 2017;

Response to the above:

In course of our audit, physical verification of the inventories was carried out by audit team along with assistance of company people.

Query No. 41.

Detailed information about advance against land and present status of advance;

Response to the above:

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. The Land is situated at Jalial Mouza of Noakhali Pouroshava, Noakhali. Detailed information about advance against land is given below:

Total Value of Land as per Baina deed: Taka 17,04,25,000.00

Company paid upto 31.03.2017 Taka 12,77,00,000.00

A Baina deed was made with Mrs. Sajeda Mirza on 22.08.2017 against such advance.

Query No. 42.

You have not disclosed under 'Related Party Disclosure' in note 29.00 that the company has given advance amounting to Tk. 12.77 crore to Mrs. Sajeda Mirza, a sponsor shareholder of the company. Also it is not disclosed that the head office of the company is rented from Mr. A. R. Hassan Mirza, a sponsor shareholder of the company. Investment by SR Fisheries, Al-Amin Agro Fisheries Complex Ltd. And Adarsha Fisheries & Poultry Farm Ltd. Are not disclosed under 'Related party Disclosure';

Response to the above:

It was an unintentional mistake to not disclose under 'Related Party Disclosure' of the above sponsor shareholders name. Now the management of the company disclosed the above related party transactions in its financial statements for the year ended 30 June, 2017 under "related party transactions" in note no.- 30.00.

Related party transaction as on 31.03.2017 was the following:

i. Payable with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Payable	Transaction during the period	Amount paid during the period	Balance Payable as at 31.03.2017
Mr. A. R. Hassan Mirza	Sponsor Shareholder	Office Rent	132,810	1,195,290	1,195,290	132,810
		Directors Remuneration	100,000	800,000	900,000	-
Dr. Saira Khan	Managing Director	Directors Remuneration	-	100,000	-	100,000
Mrs. Silvana Mirza	Chairman	Directors Remuneration	75,000	600,000	675,000	-
SR Fisheries and 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	Transaction during the period	Adjustment made during the period	Total Balance as at 31.03.2017
Mrs. Sajeda Mirza	Sponsor Shareholder	Advance against Land purchase	98,500,000	29,200,000	-	127,700,000

Query No. 43.

Explain the reason of restatement of accounts in the year ended 2012 and 2013;

Response to the above:

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. Since the accounts in the year ended 2012 and 2013 were already adopted by the management, that is why management could not restate its accounts for the year ended May 31, 2012 and May 31, 2013.

Query No. 44.

Explain why you have stated in note 1.02 of the audited accounts 'Al-Amin Industrial Zone' as factory address of the company, which is not shown in the letter head pad of the company;

Response to the above:

It was an unintentional mistake to mention the 'Al-Amin Industrial Zone' in the policy note 1.02 of audited financial statements as on 31 March, 2017. Now the management corrected all addresses of factory and corporate office in the accounts of 30 June, 2017.

Query No. 45.

Disclose original cost. Rate of depreciation, depreciation charged and written down value of ETP and also disclose in which item it is included in the schedule of Property, Plant and Equipment.

Response to the above:

The following equipment's and instruments have been added to the ETP system in order to upgrade the process to meet the required compliance of Directorate of Environment. Details of original cost, rate of depreciation, depreciation charged and written down value of ETP are as follows:

Assets name	original cost	Rate of depreciation	depreciation charged	written down value
ETP	3,643,371.00	10%	2,046,379.00	1,596,992.00

ETP machineries included in the item of plant & machineries of Asset schedule in the accounts.

Place: Dhaka

Date: December 05, 2017

Sd/-

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	

APPLICATION FORM

পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue managers.

SILVA PHARMACEUTICALS LIMITED

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																
Client Code	:																
BO ID No.	:																
Category of applicant	:																
Name of the Company/Fund	:																
Number of Shares/Units	: Shares of Tk. each															
Total amount in Tk.	:																
Amount in word	:																
Mode of payment	:																
Cheque/Draft information	:																

Signature of
Applicants

Signature of
Authorized Officer

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