

*Healing Minds....
Healing Hearts....*

18th
Annual
Report | 2018-19





اللَّهُمَّ
سُبْحَانَكَ
وَبِحَمْدِكَ
وَبِحَمْدِ
مَلَائِكَتِكَ
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رُسُلِكَ
وَبِحَمْدِ
عِبَادِكَ

In the name of Allah
the most gracious
the most merciful





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LETTER OF TRANSMITTAL

To

Honorable Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms of Bangladesh
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: **Annual Report for the year ended 30 June, 2019.**

Dear Sir(s),

The undersigned on behalf of the Board of Directors and Management of Silva Pharmaceuticals Limited is pleased to enclosed the notice of the 18th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended 30 June 2019 for your kind information and record.

Thank You.

Yours Sincerely


(Md. Iqbal Hossain)
Company Secretary

BOARD OF DIRECTORS



Ms. Silvana Mirza
Chairman



Dr. Saira Khan
Managing Director



Ms. Farhana Mirza
Director



Ms. Samina Mirza
Director



Nazrul Islam Khan
Director



Md. Monsur Rahman
Director



Musfiqur Rahman, FCA
Director



Tanha Zarrin Ahmed
Director

Notice of the 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of the shareholders of Silva Pharmaceuticals Limited will be held on Monday, 25th November, 2019 at 11.00 a.m. at White Hall Convention Center, House No. # 262/A, Road # 27 (Old), Dhanmondi, Dhaka-1209 for transact the following business:

AGENDA

1. To receive, consider and adopt the Financial Statements of the company for the year ended 30 June, 2019 and the Reports of the Directors' and the Auditors' thereon;
2. To approve proposed dividend for the financial year ended 30 June, 2019 as recommended by the Board;
3. To elect/re-elect Directors' in terms of the relevant provision of Articles of Association;
4. To appoint statutory Auditors' for the year ended 30 June, 2020 and to fix their remuneration;
5. To appoint Compliance Auditors for the year ended 30 June, 2020 and to fix their remuneration;
6. To approve the re-arrangement of use of IPO Proceeds;
7. To transact any other business with the permission of the Chair.

By Order of the Board,


(Md. Iqbal Hossain)
Company Secretary

Dated: 3 November, 2019


Notes:

- i. Shareholders, whose names appeared in the Depository Register on the record date i.e. **06 November, 2019** will be eligible to attend the meeting and will qualify for dividend.
- ii. Members entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy Form must be affixed with requisite revenue stamp and must be submitted to the registered office of the company not less than 72 hours before the time fixed for the Annual General Meeting.
- iii. Admission into the meeting venue will be allowed strictly on submission of the attendance slip sent with the notice as well as verification of signature of Member(s) and / or proxy-holder(s).
- iv. Members are requested to update their respective BO Accounts with 12 Digit e-TIN, Bank Account, Mailing Address and Contact Number through their respective Depository Participant (DP). Advance Income Tax (AIT) @ 15% (instead of 10%) will be deducted from eligible cash dividend, if anyone fails to update his/her BO Account with the 12 Digit e-TIN before/on the Record Date.
- v. Annual Report for the year 2018-2019 is available at the Company's Website at www.silvapharma.com and soft copy is sent to shareholder's email address as available in their BO Account.
- vi. The concerned Brokerage Houses/DPs are requested to provide us a statement with the details (Shareholders' Names, BO ID Numbers, Client-wise shareholding position, Gross Dividend Receivables, applicable tax rate and Net Dividend Receivables) of their Margin Loan Holders who hold Company's share, as on the 'Record Date' along with the name of the Contact Person in this connection, to the Company's Share Office on or before 15 November, 2019. The Merchant Banks and Depository Participants (DP) are also requested to provide us with their Bank Names, Account Numbers and Routing Numbers etc.
- vii. Members/Proxies are requested to record their entry in the AGM well in time on 25 November 2019 (Monday), the registration counters will be opened at 9.30 a.m. on the AGM date.
- viii. The concerned trusty board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers participation fund are requested to provide us update tax rebate certificate on or before 15 November, 2019.

N.B.: In compliance with Bangladesh Securities and Exchange Commission's circular no. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift/gift coupon/food box/benefit in cash or in kind shall be distributed / paid to the shareholders for attending the 18th Annual General Meeting.

Corporate Directory

Silva Pharmaceuticals Limited was incorporated on 24 April, 2001 vides registration no.CH-42959(2318)/2001 as a private limited company in Bangladesh under the Companies Act 1994. Further it was converted into Public Limited Company on 22 April 2014 with Registrar of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994.

Name of the Company	: Silva Pharmaceuticals Limited (SILVAPHL)
Logo	:  Silva Pharmaceuticals Limited সিলাভা ফার্মাসিউটিক্যালস্ লিমিটেড
Legal Position	: SILVAPHL 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
Commencement of its Commercial Operations	: 1 st July, 2003
Authorized Capital	: Tk. 1,500,000,000 divided into 150,000,000 Ordinary Share of Tk. 10.00 each.
Paid up Capital	: Tk. 1,300,000,000 divided into 130,000,000 Ordinary Share of Tk. 10.00 each
Registered, Corporate & Share Office	: House # 65 (Ground Floor), 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 & Binodpur, Maijdee Court, Noakhali.
	: Tel: +88-0321-63301, +88-0321-63302
Board of Directors	: 8 (Eight) Directors.
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

Corporate Review

Management Apparatus

(a) Board of Directors:

Mrs. Silvana Mirza	: Chairman
Dr. Saira Khan, MBBS, DCH, FCPS.	: Managing Director
Mrs. Samina Mirza	: Director
Mrs. Farhana Mirza	: Director
Mr. Nazrul Islam Khan (Nominated by ICB)	: Director
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	: Director
Mr. Md. Musfiqur Rahman, FCA	: Independent Director
Mrs. Tanha Zarrin Ahmed, Bar-at-Law	: Independent Director

(b) Audit Committee:

Mr. Md. Musfiqur Rahman, FCA, Independent Director	: Chairman
Mrs. Samina Mirza, Director	: Member
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.), Director	: Member
Mr. Md. Iqbal Hossain, Company Secretary	: Member Secretary

(c) Nomination and Remuneration Committee (NRC):

Mrs. Tanha Zarrin Ahmed, Independent Director	: Chairman
Mrs. Farhana Mirza, Director	: Member
Mr. Monsur Rahman, Nominated Director (by Adarsha Fisheries & Poultry Farm Ltd.)	: Member
Mr. Md. Iqbal Hossain, Company Secretary	: Member Secretary

(d) Management Committee:

Mr. A. R. Hassan Mirza	: Executive Director
Mr. Md. Iqbal Hossain	: Company Secretary
Mr. Md. Abul Kasem	: Chief Financial officer (CFO)
Mr. ATM Kamrul Ahsan.	: General Manager, Sales and Marketing
Mr. Bourhan Uddin	: Production Manager
Mr. Khurshid Ahmed Siddique	: Head of Internal Audit
Mr. Md. Nazmul Haque	: Head of HRD

(e) Bankers:

Al-Arafah Islami Bank Limited;
Dutch Bangla Bank Limited;
National Bank Limited.
Shahjalal Islami Bank Limited
Jamuna Bank Limited.
Shahjalal Islami Bank Ltd.

(f) Insurers:

Agrani Insurance Co. Ltd.

Chairman's Statement

Respected Shareholders, Colleagues, Distinguished guests, Ladies and

Gentlemen,

Assalamu Alaikum,

It is a great honour and privilege to welcome you on behalf of the Board of the Directors to the 18th Annual general Meeting of the company and submits before you the Annual report containing audited financial statements and reports for the year ended 30 June, 2019 for your consideration and approval.



During the year under review, this is evident from the performance of the company under an efficient management with full support and contribution of you and the Board of Directors that the company is achieving a high degree of prosperity. I also would like to take this opportunity to thanks Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms (RJSC), Banks, Insurers, and the Society at large who consider the company as their own.

Silva Pharmaceuticals Limited has passed a successful year during the year 2018-2019. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario.

However, the company increased its net turnover to Tk. 732.45 million up by 06.89 % from the previous year. This increase has been possible due to utilization of expansion capacity, use of new infrastructure with GMP facilities, manufacturing of more sophisticated new products having high profit margin and good management policies for reducing the overall manufacturing overhead cost. Moreover, the production has been increased significantly over the years, which is the main cause for keeping the fixed manufacturing cost at the minimum level. The Net Profit after Tax has increased to Tk. 143.32 million which 54.12% higher than the previous year. Based on above performance and business results the board has recommended 06% Cash dividend for all shareholders [excluding sponsors and directors (excluding ICB) and 05% Stock dividend for all shareholders for the year 2018-2019.

I would like to assure you that, our hard effort to increase the shareholders equity will continue as before. Our efficient management and skilled labour stands the main driving force of company. We strongly believe that the financial growth and market stability of the company will gradually rise in future by utilizing our optimum capacity through better marketing policy.

Thanking you all with wishes of a peaceful prosperity and good health. May the Almighty bless us in all our endeavors.

(Mrs. Silvana Mirza)
Chairman

Directors' Report to the Shareholders

Dear Shareholders,
Assalamu Alaikum,

The Board of Directors of Silva Pharmaceuticals Limited highly pleased to welcome you to the 18th Annual General Meeting of the company. In line with the requirements of the compliance with section 184 of the Companies Act, 1994 and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018, our company has been presenting Directors' Report covering the financial results and other developments during the year ended 30 June, 2019.

Background:

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 & Firms of Bangladesh under the Companies Act, 1994 vide registration no. CH-42959(2318)/2001. On 22 April, 2014 the company registered itself as a Public Limited company under the Companies Act, 1994. The company was getting a consent letter ref: no. BSEC/CI/IPO-269/2017/429 dated June 28, 2018 from Bangladesh Securities and Exchange Commission (BSEC) regarding the raising of share capital of Taka 30.00 (Thirty) crore through Initial Public Offering (IPO) and the Company was listed with Dhaka Stock Exchange Limited (DSE) on 23rd September 2018 and Chittagong Stock Exchanges Limited (CSE) on 16th September, 2018. From 10th October, 2018 the shares of the company's are traded in both Stock exchanges. After getting the IPO the Authorized capital of the company is Tk. 1,500 million and paid-up capital 1300.00 million.

Revenue:

The overall operating financial results of the company for the year ended 30 June, 2019 as compared to previous year ended 30 June, 2018 are summarized as follows:

Particulars	Amount in Taka	
	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
Turnover	732,450,190	685,233,408
Cost of Goods sold	(440,501,039)	(412,239,594)
Gross Profit/ (Loss)	291,949,151	272,993,814
Operating Expenses	(141,697,442)	(125,410,284)
Administrative expenses	(27,750,180)	(26,925,876)
Selling & Distribution Expenses	(113,947,262)	(98,484,408)
Operating Income	151,248,554	147,583,530
Other Income	18,547,018	9,106,860
Financial Expenses	(3,613,899)	(5,620,364)
Net Profit/ (Loss) before WPPF	165,184,828	151,070,026
Contribution to WPPF	(7,865,944)	(7,193,811)
Net Profit/ (Loss) before Income Tax	157,318,884	143,876,215
Income Tax Expenses	(13,995,468)	(50,882,274)
Current Tax	(26,695,217)	(45,693,708)
Deferred Tax	12,699,749	(5,188,566)
Net Profit/ (Loss) after Income Tax	143,323,416	92,993,941
Earnings Per Share (EPS)	1.15	0.93

Industry outlook and possible future developments in the industry:

The Pharmaceutical sector is one of the most developed industries among the manufacturing industries in our country. The demand of medicine is increase in day by day since of increasing in awareness about healthcare, higher income and increasing government expenditure. As one of the emergent pharmaceuticals manufacturers in Bangladesh, we try to make full use of the market scope, our business potentials and dynamics to benefit the best interests of our shareholders. We are committed to provide sustainable solutions to the healthcare challenges. Our business is successfully operated and our services towards nation are smoothly run by the efficient field forces. We have already introduced some new products and some of them are to be introduced soon.

Thus our sales volume is in increasing rate and our company growth is always in progress. We always stick to our belief and focused ideas and activities to make our dream true. At the same time we are equally focused on low production cost and high quality products. All of our initiatives are directed towards the value creation for our shareholders and customers. With vast experience in pharmaceuticals manufacturing, we are confident and believe that we can hold on our reputation as a quality manufacturer.

Segment-wise or product-wise performance:

Product wise sales performances are given below:

Name of Item	Quantity (Pcs/PHs)		Amount in Taka	
	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
Tablet	125,337,499	122,315,555	423,368,957	396,076,835
Capsule	35,010,175	32,237,361	228,112,147	213,407,090
Liquid	1,425,234	1,407,291	61,709,463	57,731,415
Dry Syrup	209,953	204,350	19,259,623	18,018,068
Total	161,982,861	156,164,557	732,450,190	685,233,408

However, product wise capacity utilization is given in note no. 27.05 of the Financial Statements.

Risk & Concerns:

Pharmaceuticals industry faces many of the challenges like lack of power, labour unrest, political unrest resulting hartal causing disruption of production and cost of fund. Changes in the existing global or national policies can have either positive or negative impacts for the company. Any insufficiency or price hike of raw materials due to change in policy in the international market might hamper the production and profitability. Changes in currency exchange rates might also affect the pricing and thereby the profitability of the Company. The performance of the company may also be affected negatively by the political and economic instability both in Bangladesh and worldwide. Moreover, risks and concern of the industry solely depends on the upcoming government policy as well.

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:**Cost of goods Sold:**

The year's cost of goods sold was Tk. 440.50 million (60.14% of Sales) as compared to last year's cost of goods sold of Tk. 412.24 million (60.16% of Sales). This is due to proper utilization of production capacity, use of new infrastructure facilities and good management policies for reducing the overall manufacturing overhead cost.

Gross Profit:

Gross profit earned during the year was Tk. 291.95 million as against last year's gross profit of Tk. 272.99 million. Gross profit increase due to increase of sales volume and decrease the overall cost of goods sold compared to last year.

Net Profit/ (Loss):

The company earned net profit during the year amounting to Tk. 143.32 million as compared to last year's net profit of Tk. 92.99 million. The Net profit increase significantly due to deferred tax income arisen during the year due to changes of income tax rate (reduced to 25% from previous 35%) as a listed company. Total deferred Tax benefit incurred due to changes in income tax rate is taka 2,60,62,797.71.

Discussion on Continuity of any extra-ordinary activities and their implications (gain or loss):

During the Financial year 2018-2019, no extra ordinary activities occurred in the Company.

Related Party Transaction:

The company has no related party transaction as per BAS-24 except Director's Remuneration, Office rent and board meeting attendance fees received by Managing Director and Directors of the company. The details statement of related party transaction is given below:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Payable	Value of goods / Services received during the year	Amount paid during the year	Balance Payable as at 30.06.2019
Dr. Saira Khan	Managing Director	Remuneration	100,000	1,200,000	1,200,000	100,000
		Board Meeting Fees	-	43,125	43,125	-
Mrs. Silvana Mirza	Chairman	Board Meeting Fees	-	43,125	43,125	-
Mrs. Samina Mirza	Director	Board Meeting Fees	-	43,125	43,125	-
Mrs. Samina Mirza	Director	Board Meeting Fees	-	34,500	34,500	-
Md. Monsur Rahman (Representative of Adarsha Fisheries & Poultry Farms Ltd.)	Director	Board Meeting Fees	-	43,125	43,125	-
Md. Nazrul Islam Khan (Representative of ICB)	Director	Board Meeting Fees	-	43,125	43,125	-
Md. Musfiqur Rahman, FCA	Independent Director	Board Meeting Fees	-	43,125	43,125	-
Mrs. Tanha Zarrin Ahmed	Independent Director	Board Meeting Fees	-	17,250	17,250	-
Mr. A. R. Hassan Mirza	Executive Director & Sponsor Shareholder	Salary & Allowances	-	1,800,000	1,500,000	300,000
		Office Rent	132,810	1,593,720	1,593,720	132,810
Total			232,810	4,904,220	4,604,220	532,810

Statement of Utilization of Proceeds raised through Public Issues:

The Silva Pharmaceuticals Limited accorded the consent from Bangladesh Securities and Exchange Commission (BSEC) on 28 June 2018 for raising its capital through Initial Public Offering (IPO) for implementation of followings:

Sl.	Particulars	Amount in BDT.
01	Acquisition of brand new machinery and Equipments	122,500,000
02	Civil construction of two storied new factory building	56,000,000
03	Repayment of term loan of NCC Bank Limited (Kawran Bazar Branch)	99,000,000
04	IPO expenses	22,500,000
	Total	300,000,000

The status of IPO proceeds as on 30 June, 2019 are given below:

Purpose of IPO Fund Utilization	Estimated Amount from IPO Proceeds	Amount used upto 30 June, 2019	Un-Utilized Amount of IPO Fund
IPO Expenses	22,500,000	20,441,474	2,058,526
Civil Construction	56,000,000	8,600,000	47,400,000
Machinery & Equipment	122,500,000	-	122,500,000
Payment of Term Loan	99,000,000	99,000,000	-
TOTAL	300,000,000	128,041,474	171,958,526

Explanation if the financial Results Deteriorate after the company goes for Initial Public Offering (IPO):

In the year 2018 the company listed its share with Dhaka and Chittagong Stock Exchanges Limited by issuing 3,00,00,000 Ordinary shares of BDT 10.00 each. The company commenced its trade with both the Stock Exchanges from 10th October, 2018 under the trade name of 'SILVAPHL'. After completion of Initial Public Offering (IPO) successfully, the financial results of the company have been increased consistently which has been fully explained in the page no.-13 under the head of Financial Highlights for last 5 years.

Explanation on any significant variance that occurs between quarterly financial performances and annual financial statements:

During the financial year 2018-2019, Annual financial statements are almost in consonance with the quarterly financial performances of the company. As such, no significant variance has been observed between quarterly financial performances and annual financial statements.

Statement of remuneration paid to the directors including independent directors:

The company did not pay any remuneration or any other facilities or perquisites except board meeting attending fees to its directors (including independent directors) except Managing Director during the financial year ended 30 June, 2019.

Statement that the financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity:

The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Statement that proper books of account of the company have been maintained:

Proper books of accounts have been maintained by the company as per section 181 of the Companies Act, 1994.

Statement that 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:

Accounting policies adopted by the Company have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment. The accounting policies adopted and applied by the company are appropriate in view of the nature of its business operations of the company.

Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed:

The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), Securities and Exchange Rules, 1987, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015 and as applicable any other laws in Bangladesh have been duly followed by the company in preparation of the financial statements and any departure there from has been adequately disclosed.

Statement that the system of internal control is sound in design and has been effectively implemented and monitored:

The system of internal control is sound in design and has been effectively implemented and monitored by the company and duly examined by the internal and external auditors. The company continuously give due emphasis for further improvement of internal control system, if any, can be done.

Statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress:

As a constant policy of the company, interests of minority shareholders have been protected meticulously by the management. The management protects interest of Minority shareholders from abusive actions by or in the interest of, controlling shareholders acting either directly or indirectly and has effective means of redress in place.

Statement that there is no significant doubt upon the company's ability to continue as a Going Concern:

There is no doubt upon the company's ability to continue as a going concern. Accordingly the financial statements of the company have been prepared on going concern basis. While approving the financial statements, the directors have analyzed the financial statements, business operation as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future.

Explanation that significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof shall be explained

There is no significant deviation during the current financial year from the last year's operating results of the company.

Summary of statement of Key Operating and Financial Data of last preceding 5 (Five) years:

A statement of key operating and financial data of last preceding 5 (five) years are given below:

Financial Highlights for last five Years

Particulars	Figures in Taka				
	2018-2019	2017-2018	2016-2017	2015-2016 (13 months)	2014-2015
Operating Data					
Turnover	732,450,190	685,233,408	602,491,592	628,766,245	503,876,753
Gross Profit	291,949,151	272,993,814	236,715,799	249,255,235	189,624,447
Operating Profit	146,637,810	141,963,166	124,286,388	119,797,759	78,860,063
Net Profit before Tax	157,318,884	143,876,215	123,763,454	114,960,883	79,935,521
Net Profit after Tax	143,323,416	92,993,941	80,278,559	74,724,574	51,958,088
Statement of Financial Position Data					
Authorised Capital	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	500,000,000
Paid-up Capital	1,300,000,000	1,000,000,000	1,000,000,000	500,000,000	120,000,000
Reserve and Surplus	833,442,946	710,561,004	647,797,063	585,378,504	501,768,736
Shareholders' Equity	2,133,442,946	1,710,561,004	1,647,797,063	1,085,378,504	621,768,736
Fixed Assets	1,232,602,338	890,460,110	706,738,552	683,068,654	601,143,384
Other Non-Current Assets	8,600,000	197,776,597	136,990,677	118,899,395	-
Total Non-Current Assets	1,241,202,338	1,088,236,707	843,729,229	801,968,049	601,143,384
Current Assets	1,060,520,369	913,520,356	1,097,434,352	836,930,943	632,864,166
Total Assets	2,301,722,707	2,001,757,063	1,941,163,581	1,638,898,992	1,234,007,550
Non-Current Liabilities	78,520,043	91,219,792	86,031,226	175,310,350	177,932,720
Current Liabilities	89,759,718	199,976,267	207,335,292	224,210,138	216,354,094
Total Liabilities	168,279,761	291,196,059	293,366,518	399,520,488	394,286,814
Financial Ratios					
Gross Profit Ratios (%)	39.86%	39.84%	39.29%	39.64%	37.63%
Operating Income Ratio (%)	20.02%	20.72%	20.63%	24.90%	24.49%
Net Income Ratio (%)	19.57%	13.57%	13.32%	11.88%	10.31%
Debt-Equity Ratio (Times)	0.08	0.17	0.18	0.21	0.41
Return on Equity Ratio (%)	6.72%	5.44%	4.87%	8.71%	8.47%
Current Ratio (Times)	11.82	4.57	5.29	3.73	3.05
Other Data					
Number of Shares	130,000,000	100,000,000	100,000,000	50,000,000	12,000,000
Net Asset Value per share (NAV)	16.41	17.11	16.48	21.71	52.55
Earnings Per Share (Basic EPS)	1.15	0.93	1.03	1.24	1.06
Dividend per share	6% Cash & 5% Stock	Nil	5% (C)	5% (C)	Nil
Number of Shareholders	6,566	89	70	41	37
Face Value per share	10.00	10.00	10.00	10.00	10.00
Number of Employees	1,018	1,082	1,034	1,034	929

An explanation on the reasons if the company has not declared dividend (cash or stock) for the year:

During the year, the Board of Directors of the Company recommended 06% Cash and 05% Stock Dividend to its Shareholders.

Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend:

During the Financial Year 2018-2019 no Bonus share or Stock Dividend has been declared by the board as interim dividend.

The total number of board meetings held during the year and attendance by each director:

During the year ended 30 June, 2019 the Board of Directors held 05(Five) meetings. Directors who attended the Board meeting are shown below:

Name of Directors Attended	Position	Attended
Mrs. Silvana Mirza	Chairman	05
Dr. Saira Khan, MBBS, DCH, FCPS.	Managing Director	05
Mrs. Samina Mirza	Director	05
Mrs. Farhana Mirza	Director	04
Mr. Nazrul Islam Khan (Nominated by ICB)	Director	05
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	Director	05
Mr. Md. Musfiqur Rahman, FCA, Independent Director	Independent Director	05
Tanha Zarrin Ahmed, Bar-at-Law, Independent Director	Independent Director	04

The Directors who could not attend the meetings were granted leave of absence.

A report on the pattern of shareholding as on 30 June 2019 disclosing the aggregate number of shares (along with name wise details where stated below) held by:-

A report on the pattern of shareholding as on 30 June 2019 disclosing the aggregate numbers of shares (along with name wise details) are stated below:-

a. Parent or Subsidiary or Associated Companies and other related parties:

The Silva Pharmaceuticals limited does not have any Parent or Subsidiary or Associated Companies as on 30 June, 2019. However, other related parties do not hold any shares of the company.

b. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:

Sl. No.	Name of the Shareholders	Status	Number of Shares Held	Percentage (%)
01.	Mrs. Silvana Mirza	Chairman	29,10,000	02.24%
02.	Dr. Saira Khan, MBBS, DCH, FCPS.	Managing Director	69,70,000	05.36%
03.	Mrs. Samina Mirza	Director	29,10,000	02.24%
04.	Mrs. Farhana Mirza	Director	29,10,000	02.24%
05.	Mr. Nazrul Islam Khan (Nominated by ICB)	Director	3,00,00,000	23.08%
06.	Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	Director	50,90,000	03.92%
07.	Mr. Md. Musfiqur Rahman, FCA, Independent Director	Independent Director	Nil	Nil
08.	Tanha Zarrin Ahmed, Bar-at-Law, Independent Director	Independent Director	Nil	Nil
09.	Md. Iqbal Hassain	Company Secretary	1,10,000	00.08%
10.	Md. Abul Kasem	Chief Financial Officer	Nil	Nil
11.	Khurshid Ahmed Siddique	Head of Internal Audit and Compliance	4,80,000	0.38%
12.	A R Hassan Mirza	Spouses of Managing Director	49,50,000	3.81%

c. Executives:

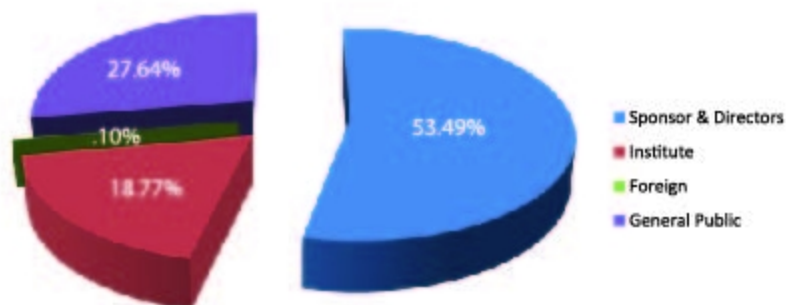
Sl. No.	Name of the Shareholders	Status	Number of Shares Held	Percentage (%)
01.	ATM Kamrul Ahsan	General Manager	Nil	Nil
02.	Md. Tipu Sultan	Assistant General Manager (Sales)	Nil	Nil
03.	Mohammad Bourhan Uddin	Plant Manager	Nil	Nil
04.	Mohammad Reaz uddin	Manager-Quality	Nil	Nil
05.	Mahmud Hassain Al Mamun	Manager-Engineering & Maintenance	Nil	Nil

c. Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details):

Sl. No.	Name of the Shareholders	Status	Number of Shares Held	Percentage (%)
01.	Investment Corporation of Bangladesh (ICB)	Director	3,00,00,000	23.08%

Composition of Shareholding Position

Sl. No.	Name of the Shareholders	Status	Number of Shares Held	Percentage (%)
01.	Mrs. Silvana Mirza	Chairman	29,10,000	02.24%
02.	Dr. Saira Khan, MBBS, DCH, FCPS.	Managing Director	69,70,000	05.36%
03.	Mrs. Samina Mirza	Director	29,10,000	02.24%
04.	Mrs. Farhana Mirza	Director	29,10,000	02.24%
05.	Mr. Nazrul Islam Khan (Nominated by ICB)	Director	3,00,00,000	23.07%
06.	Mr. Mansur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	Director	50,90,000	03.91%
07.	Md. Anwar Mirza	Sponsor Shareholder	48,50,000	3.73%
08.	Mrs. Sajeda Mirza	Sponsor Shareholder	49,50,000	3.81%
09.	Dr. Shibli Mirza	Sponsor Shareholder	40,00,000	3.08%
10.	A R Hassan Mirza	Sponsor Shareholder	49,50,000	3.81%
11.	Institute	Shareholder	2,44,02,718	18.77%
12.	Foreign	Shareholder	1,29,392	0.10%
13.	General Public	Shareholder	3,59,27,890	27.64%
Total			13,00,00,000	100.00%

Shareholding Position

In case of the appointment or re-appointment of a director, a disclosure on the following information to the shareholders

- a) ***A brief resume of the directors;***
- b) ***Nature of his/her expertise in specific functional areas;***
- c) ***Name of companies in which the person also holds the directorship and the membership of committees of the Board.***

As per the Articles of Association of the company Mrs. Samina Mirza, Director, Mrs. Farhana Mirza, Director and Mr. Nazrul Islam Khan (Nominated by Investment Corporation of Bangladesh), Director of the company will be retired by rotation at the 18th Annual general Meeting and being eligible they offer themselves for re-appointment.

Mrs. Samina Mirza

Mrs. Samina Mirza was born in a famous Business Muslim family at Noakhali in Bangladesh in the year 1984. 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. Samina Mirza is also the member of Audit Committee of the company.

Mrs. Farhana Mirza

Mrs. Farhana Mirza was born in an eminent Business Muslim family at Noakhali in Bangladesh in the year 1985. 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.

Mrs. Farhana Mirza is also the member of Nomination and Remuneration Committee (NRC) of the company.

Mr. Md. Nazrul Islam Khan, Represented by Investment Corporation of Bangladesh (ICB).

Mr. Nazrul Islam Khan was born in an illustrious family 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.

A management's discussion and analysis signed by managing director presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others.

A management's discussion and analysis signed by Managing Director presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements has been presented in page no. 20-23 in this annual report.

Declaration or certification by the CEO and the CFO to the board as required under condition no. 3(3) shall be disclosed as per Annexure-A.

Declaration or certification by the CEO and the CFO to the Board as appended in this Annual Report under Annexure-A, page no. 34-35.

The report as well as certificate regarding compliance of conditions of this code as required under condition no. 9.

The report as well as certificate regarding compliance of conditions of this code as required under condition no. 9 has been presented under Annexure-B and Annexure-C in the page no. 36-47.

Appointment of Auditors:

Under the Companies Act, 1994 and the Articles of Association, the current statutory auditors' of Silva Pharmaceuticals Limited M/s. Mahfel Huq & Co., Chartered Accountants, will retire at the 18th Annual General Meeting. They have expressed their willingness to be re-appointed for the year 2019-2020 at the fees of Taka 2,00,000.00 (Two lac). The Board recommends the re-appointment of M/s. Mahfel Huq & Co., Chartered Accountants, 34, Topkhana Road, Dhaka-1000 for as the statutory auditors of the company for the year 2019-2020 and continuation up to the next AGM at a fees of Tk. 2,00,000.00 (Two lac) only and request to the shareholders to approve the appointment.

Appointment of Compliance Auditor as per Corporate Governance Code:

As per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80; dated 3 June, 2018, issued by Bangladesh Securities and Exchange Commission (BSEC), M/S. S. R. Islam & Co., Chartered Accountants, compliance auditors of the company audited the compliance status of the company for the year 2018-2019. M/S. S. R. Islam & Co., Chartered Accountants, retire at this AGM. Being eligible, offered themselves for re-appointment as Compliance Auditors for the financial year 2019-2020.

The profile of the existing Audit Firm and the service performed by them was reviewed by the Board of Directors of the Audit Committee and suggested to re-appoint of M/S. S. R. Islam & Co., Chartered Accountants, as Compliance Auditors of the company for the next financial year 2019-2020 with a remuneration of BDT. 30,000.00 (Thirty Thousand) only subject to the approval of the shareholders in the 18th AGM of the company to be held on 25 November, 2019.

Corporate Governance:

Corporate Governance is the system by which company are directed and controlled. Board of Directors is responsible for the governance of their Company's. The shareholders' role in governance is to appoint the Directors and the Auditors and to satisfy themselves that an appropriate governance structure is in place.

The responsibilities of the Board include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship.

In order to enhance Corporate Governance practice for the interest of investors and the capital market, Bangladesh Securities and Exchange Commission (BSEC) has imposed some further conditions and issued a revised Notification vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated 3 June, 2018. In the mentioned notification, BSEC directed all the listed companies to comply with the new codes of BSEC within 31st December, 2018. Compliance status of the above mentioned Code by The Silva Pharmaceuticals Ltd. has been depicted in the page no. 37-47 of the Annual Report as **Annexure – C**.

Board of Directors

The Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its directors. The Board of the company comprises with 8 (Eight) Directors, of whom 4 (Four) directors are shareholder Directors, 2 (Two) nominee directors and 2 (Two) independent directors. Independent Directors are appointed as per provision of the Corporate Governance Codes of Bangladesh Securities and Exchange Commission (BSEC). The Board's essential role is to approve the Company's strategy and oversee compliance.

Audit Committee

In compliance with the condition no. 5 of **Corporate Governance Codes** of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated 3 June, 2018, the audit committee of the company is functioning. The main aim of the audit committee is to assist the Board with regard to the strategies adopted to manage the business-related risks and continuously oversee the internal control environment of operations. Presently, the committee is comprises with the following members:

Sl. No.	Name of the Directors	Position in Audit Committee	Position in Board
01	Md. Musfiqur Rahman, FCA	Chairman	Independent Director
02	Mrs. Samina Mirza	Member	Director
03	Mr. Monsur Rahman	Member	Nominee Director of Adarsha Fisheries & Poultry Farm Ltd.

Nomination and Remuneration Committee (NRC)

This committee was established in 13 November, 2018 under condition no. 6 of **Corporate Governance Code** of Bangladesh Securities and Exchange Commission (BSEC) vide reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated 3 June, 2018. The Nomination and Remuneration Committee is a sub-committee of the Board, NRC shall assist the board in formulation of the nomination criterion or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives.

The Committee formally met for the first time in April, 2019 after constitution of the NRC of Silva Pharmaceuticals Limited ensured/observed the following activities:

1. Set up an organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
2. Set up standard pay structure for each job level based on education, experience and competency.
3. A target based on-line performance Management System to evaluate performance of employees. This KPI based PMS leads to Yearly Increment, Promotion of individual.
4. Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plan for the individual or group of people.
5. A transparent recruitment and selection policy where competent candidates get hired.
6. Practicing a clear career path system for employees which reflect in organization structure.

Workers' Profit Participation Fund:

In the year under review 5% of the company's net profit after charging such contribution but before Income Tax i.e. Tk. 78,65,944.00 has been transferred to the workers' profit participation fund and welfare fund as per provisions of Bangladesh Labour (Amendment) Act, 2013.

Appreciation:

The Board of Directors take this opportunity to appreciate Shareholders, Doctors, Customers, Bankers, Suppliers, Vendors, Insurance Companies, Employees, Regulatory Bodies including Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), Central Depository Bangladesh Limited (CDBL), National Board of Revenues (NBR), Directorate General of Drug Administration & Licensing Authority (DGDA), Registrar of Joint Stock Companies and Firms (RJSC), Insurance Development and Regulatory Authority (IRDA) and other stakeholders of the company for their continued support and co-operation and guidance to the company that led to many achievements extended to us and sincerely look forward the same in future as well. The Board also recognizes the contributions received from various Government Authorities, healthcare professionals, press and media, business partners and lastly the individuals and agencies who have helped us accomplished what we are today.

On behalf of the Board,



Mrs. Silvana Mirza
Chairman

Dhaka, 16 October, 2019

A management's discussion and analysis signed by managing director presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements:

Dear Fellow Shareholders,

Assalamu Alaikum

I am pleased to present the Statement of the CEO of Silva Pharmaceuticals Limited for the year ended June 30, 2019 on behalf of the management. In this statement, I will be covering our present performance, future outlook and our guiding principles.

Accounting policies and estimation for preparation of financial statements:

Dear shareholders, the preparation and presentation of the Financial Statements and the relevant disclosures therein have been made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Stock Exchanges as applicable and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable to the company.

Changing in accounting policies and estimation, if any:

During the financial year under review, no remarkable changes were found that make judgment to estimates and assumptions that affect the application of accounting policies and would have required reported amounts of assets, liabilities, income and expenses.

It can also be mentioned here that in order to comply with the Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), we have been working towards redefining the Corporate Governance Framework of our company.

Comparative analysis of financial performance:

Dear shareholders, please allow me to take you all through the comparative analysis of the financial performance and financial position of our company. In line with the growth of the Pharmaceutical market in the country, the financial performance or results and financial position of the company are also growing. The related financial data for immediate preceding five years are under:

Particulars	2018-2019		2017-2018		2016-2017		2015-2016(13 months)		2014-2015	
	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)	Amount in BDT	Growth (%)
Revenue (in Thousand)	732,450	6.89%	685,233	13.73%	602,492	-4.18%	628,766	24.75%	500,877	2.01%
Net Profit After Tax (in Thousand)	143,323	54.12%	92,094	15.84%	80,279	7.43%	74,725	43.82%	51,358	5.35%
Net Asset Value Per share	16.41	-4.06%	17.11	3.80%	16.48	-24.08%	21.71	-58.70%	52.55	5.85%
Earnings Per Share (EPS)	1.15	23.29%	0.93	-9.71%	1.03	-16.94%	1.24	16.98%	1.06	6.00%
Operating Cash Flows per Share (NOCFPS)	1.52	13.36%	1.34	30.10%	1.03	-30.41%	1.48	-5.73%	1.57	-90.18%
No. of Ordinary Shares	190,000,000		100,000,000		100,000,000		50,000,000		12,500,000	

Overall business performance of the company has been found sustainable over the years. The reported revenue of the company stood at BDT. 732,450,190.00 in financial year 2018-2019 against BDT 503,876,753.00 in financial year 2014-2015 indicating a compound annual growth Rate (CAGR) is 9.07% in last five years.

The net profit growth, Net Asset Value per Share (NAVPS), Earnings per Share (EPS) and other financial performance of the company is found remarkable over the last five years. Moreover, it has been revealed that the company has generated sufficient operating cash flows from its own sources, which help to meet its internal as well as external demand.

Comparison of financial performance or results and financial position as well as cash flows with the peer industry scenario:

As most of the top leading Pharmaceutical Companies are Private Limited Company or Proprietorship Concern, therefore, they are not disclosing their financial data to the Public. Besides, current year financial data of the companies which are listed with Stock Exchanges are yet to publish. For this reason, it is difficult to make a comparison of financial performance or results and financial position as well as cash flows with the peer industries.

However, considering the overall Industry scenario it has been observed that financial results along with Financial Performance and Cash Flows of Silva Pharmaceuticals Limited are consistently growing and sustainable.

Financial and Economic Scenario of the Country and the Globe:

Let us start with a few words regarding the economic conditions in which our business is operating. The outlook for the global economy remains positive despite signs that economic growth in some key parts of the world economy has slowed since growth reached a peak in the second half of 2017. The global economic expansion we have seen over the past year has shown momentum, holding the promise of more jobs and improved living standards across most countries. But there are threats, including from the risk of escalating trade conflicts, record high public and private debt, financial market volatility, and fragile geopolitics. The recent acceleration in world gross product growth stems predominantly from firmer growth in several developed economies, although East and South Asia remain the world's most dynamic regions.

After the world scenario, we may take a look at the condition of our country. Bangladesh has become eligible to graduate to a middle income country from the least developed one. We have all witnessed that Bangladesh has emerged as an aspiring "tiger" economy in the South Asian region. I am very happy to say that we have become one of Asia's most remarkable and unexpected success stories in recent years. As per HSBC Global Research, Bangladesh is likely to be the biggest mover in the global GDP rankings in 2030, becoming the 26th largest economy in the world from 42nd now which is a great feat for us. We are very hopeful that the progress of the country will also be reflected upon the performance of the company.

The pharmaceutical industry is one of the most technologically advanced sectors currently in existence in Bangladesh. It has grown in the last two decades at a considerable rate. Only 3% of the drugs are imported, the remaining 97% come from local companies. This industry is largely protected from external competition, as there is a restriction regarding import of similar drugs that is manufactured locally. This industry is also the second largest contributor to national exchequer and at the same time provides the largest white collar intensive employment.

Bangladesh's pharmaceutical sector can grow at 15 percent for the next five years riding on the expanded domestic market as well as new export frontiers, according to a new research. Greater affluence among the poorest socio-economic group and a shift in disease profile are expected to drive the growth of healthcare expenditure in Bangladesh. The industry also has growth opportunities in the international domain which is enough to emerge as the next thrust sector after garment. Positive developments in the pharmaceutical sector have enabled Bangladesh to export medicine to global markets. Besides, drug purchasing power is likely to rise with sustained growth in income as Bangladesh advances into the league of middle income countries, according to the analysis.

Key drivers for growth of Pharmaceuticals company in Bangladesh

1. **Economic Growth of the country:** In the year 2015-16 and 2016-17, Bangladesh has achieved GDP growth rate of 7.11% and 7.28% respectively (Source: Bangladesh Bureau of Statistics) World Bank estimated that Bangladesh has achieved a GDP growth rate of 7.11% in 2016-17. World Bank predicts that Bangladesh will earn GDP growth rate of 6.4%, 6.7% and 7.0% for the year 2017-18, 2018-19 and 2019-205. Bangladesh has entered the socio-economic classification of Lower Middle Income Group. It is targeted that Bangladesh will become higher Middle Income Group and Higher Income Group by 2021 and 2041 respectively. This will lead to higher health care expenditure by both individual and government.

2. **Population Growth rate:** Bangladesh is one of the densely populated country (ranked 13th in the world in terms of population density) in the world with 166 million people. According to World Bank and World Meter, from 2008 to 2017 average population growth rate of Bangladesh is 1.1% annually. This drives the growth of Pharmaceuticals sector of Bangladesh.

- 3. Growing Income level of people:** Average income level of people of Bangladesh has increased. According to BBS provisional estimation, the average income has grown by 9.4% from 2015-16 to 2016-17. Thus, people have more money to allocate for medical expenditure.
- 4. Increase in modern healthcare facilities:** Medical and Pharmaceutical facilities in Bangladesh are adopting modern technology. This will largely contribute to the growth of Pharmaceuticals industry of Bangladesh.
- 5. Health awareness of mass people:** People of Bangladesh is becoming aware of health day by day. Increased awareness of health will lead to the growth of pharmaceutical sector of Bangladesh.
- 6. Changing Life Style:** Life of city dwellers and urban people is changing rapidly. They lack proper nutrition and rest. To keep healthy, they have to rely on advice of physician and medicine heavily.
- 7. High Life Expectancy:** Life expectancy among the people has significantly increased. In 2015, life expectancy at birth is 72.2 years where it was only 66.4 years in 2002. To achieve a longer life, people use to consult with physician regularly and take different medicine according to the prescription of doctor.

Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

Risk Management

Efficient and effective Risk management is a part and parcel of today's business. As such, Silva Pharmaceuticals Limited would be subject to systematic risks of the industry and market as well. The majority of these risks are commercial and business risks in nature that can be mitigated effectively. Such major risk factors and management approaches on the same are described in brief as under:

Operational Risk

Silva relies on suppliers for ingredients and various third parties for certain manufacturing-related services to produce materials that meets appropriate content, quality and stability standards of the company products and after approval it is being released for commercial distribution. Silva may not be able to produce its drug substance or drug product to appropriate standards without the required supports from its suppliers and vendors. Again, if it fails to maintain important manufacturing and service relationships, may not find a replacement supplier or required vendor or develop Company's own capabilities which could delay or impair Company's ability to obtain regulatory approval for its products and substantially increase Company's costs or deplete profit margins, if any.

Management Perception

Silva has a good number of vendors and for each and every ingredient and service, the company has more than one approved vendors. It uses to conduct vendor audit and professionals are very conscious and concerned regarding the vendor issue. Further, none of the supplier accounts for significant amount of total purchases.

Interest Rate Risk

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loan/investments tend to increase the interest rates. Such rises in interest rates mostly affect Companies having floating rate loans or Companies investing in debt securities.

Management Perception

In order to manage this risk and overcome it, the Company exercises prudence in its cash flow management, supported by continued strength in sales and marketing. Silva is very careful in forecasting the prices of ingredients and manages its costs in an effective manner. To maintain effective rate of return Silva also follow knowledge and information based products mix, so as to ensure that the debt repayments are met on schedule, even if the interest rates were to rise.

Exchange Rate Risk

Foreign exchange risk, also known as FX risk or currency risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when investment's value changed due to the changes in currency exchange rates.

Management Perception

Silva Pharmaceuticals Limited is procuring raw materials from overseas market and its customers are local customers. Because of importing raw materials, the company is exposed to Exchange Rate Risk. Management is concerned about this. Management believes that any dollar appreciation will be adjusted in product price.

Future Plan

Dear Shareholders, I am pleased to inform you that in this year we have received IPO fund for construction of new factory building and purchase new machineries. The company is striving for sustainable development. Upon completion of that work the company is expecting to start commercial operation in new premises and by new machineries within the middle of the year 2020. In the year of coming we are launching market demandable and innovative generics as with diversified dosage form and presentation maintaining GMP guideline which might be the first time in Bangladesh with a competitive strategic marketing plan.

Already we have started a fully knowledge based promotional activity in front of our valuable doctors. Meanwhile various steps have taken for expansion of our company, where we are going to launch the veterinary and nutraceuticals with a define strategic action plan that's increases the image & prestigious position of our company as well as generate revenue from there.

In order to grow and develop in the future and to provide our healthcare facility globally, we must also expand beyond borders and go International.

Lastly we would like to express my sincere thanks to all of our valued shareholders for their confidence in us and would also like to acknowledge the helpful guidance from our Board of Directors has always been instrumental in shaping the success of Silva Pharmaceuticals Limited. I would like to thank all of Silva Pharmaceuticals Limited's employees and partners for their hard work throughout the last financial year. I look forward to your continued support with the hope of a successful year ahead.

Thank you,


Dr. Saira Khan
Managing Director

Our Major Brands and Services

Silva Pharmaceuticals Limited has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Anti pyretics, Anti inflammatory Drugs, Anti ulcerants, Multi medicines which are sold mainly in local market. It has set up a modern pharmaceutical plant that is equipped with advanced and modern machineries and technology.

Antulcerant

Esosil[®] 20

Esomeprazole 20 mg
Capsule

- Drug of choice in GERD
- Significant symptoms improvement of Heartburn
- Remarkable healing of Erosive Esophagitis



Omesil[®]

Omeprazole 20 mg
Capsule



- Time tested & trusted PPI all over the world
- Used as adjunct therapy with NSAIDs
- Highly effective in Reflux Esophagitis

Pantosil[®]

Pantoprazole 20 mg
Tablet



- A superior & confident choice among PPIs
- Safe in pregnancy (Category B)
- Effective in PUD & GERD

Antiemetic & Antispasmodic

Devomit[®]

Motilium Hydrochloride 25 mg &
Pyridostigmine Bromide 50 mg



- First choice in treating nausea and vomiting during pregnancy
- Provides synergistic effect
- Shows long duration of action

Timem[®]

Timemololol Hydrochloride 10 mg



- Complete and fast relief from abdominal pain
- Offers treatment superiority over other antispasmodics
- Offers excellent safety profile to patients

Antibacterial

Sicef[®]

Cephadrine 500 mg
Capsule &
125 mg/ 5 ml PFS



- Effective & well tolerated 1st generation cephalosporin in SSTIs (96%) & RTIs (100%)
- Confident choice as prophylaxis of dental procedure
- USFDA recommended as pregnancy category B

Probac[®]

Cefuroxime 250 mg & 500 mg
Tablet



- Potent 2nd generation cephalosporin in UTIs
- Safe and effective antibiotic in all stages of pregnancy
- Offers superior cure rate in RTIs

Supraxim[®]

Cefixime 200 mg
Capsule &
100 mg/5ml PFS



- Tested and trusted 3rd generation oral cephalosporin
- Drug of choice in Enteric Fever
- Ensures excellent treatment success in Enterocolitis & LRTIs

Macrozith[®]

Azithromycin 500 mg
Tablet
& 200 mg/5 ml GFS



- Highly active macrolide against atypical bacteria
- Simple dose, faster efficacy
- Right choice for treating Typhoid Fever, RTIs & SSTIs

Macrozith[®] GFS

Azithromycin 200 mg/5 ml

Right choice in Typhoid Fever &
Respiratory Tract infections.

**Cipronil[®] PFS**

Ciprofloxacin 250mg/5ml

Highly effective in Shigellosis,
Infectious Diarrhoea &
Urinary Tract infections.



Analgesic and Antipyretic

Duet®

Paracetamol 500 mg
& Caffeine 65 mg
Tablet

- More than a pain and fever reliever
- Short (45-50 seconds) disintegration time
- Its opaque PVC foil protects from sunlight



Orifen

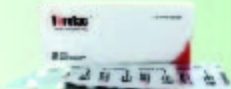
Acetofenac 100 mg



- Potent analgesic and anti-inflammatory action
- No cardiovascular side effects
- Ensures Gastro intestinal safety

Torolac®

Ketorolac 10 mg
Tablet



- Relieves moderate to severe acute pain
- Efficacious in post-operative pain
- Most potent NSAID

Allergy, Cough and Cold:

Aerofen

Ketotifen Fumarate 100 ml syp.



- Effective prophylaxis for asthma
- Ensures allergy free life of the patients
- Ensures better control of asthma and wheezing

Ambosil®

Ambroxol hydrochloride Syrup &
Pediatric Drop



- Enhances the efficacy of antibiotic in RTIs
- Provides multiple mode of action to liquefy sputum
- Drug of choice for prophylaxis of chronic bronchitis

Vitamins & Minerals

Ensures full spectrum of
Essential Nutrients

Multitonic®
Multivitamin & Multimineral Syrup



Multitonic® syrup has excellent taste with Mango flavor that ensures compliance to all aged people including children.



Ensures proper physical and mental growth in children

To build up strong immune system

Meets proper nutritional requirements for diabetics

Reduces the risk of heart diseases

Reduces anxiety and stress levels

Design specially to improve **Intelligence of Children**

Neurex-B®

Thiamine Mononitrate (B1) 100 mg
Pyridoxine Hydrochloride (B6) 200 mg
Cyanocobalamin (B12) 200 mcg
Tablet



- Ideal combination of B-vitamins for Neuropathic pain
- Prevents degenerative process of nerves
- Offers a new treatment option in Diabetic Retinopathy

Calsil PLUS

Calcium 500 mg &
Vitamin D₃ 200 I.U.
Tablet



- Synergistic combination for strong bone structure
- Vitamin D₃ increases absorption of calcium
- Prevents Osteoporosis & bone fracture

Alvital®
Super Anti-oxidant vitamins plus
in 100% Natural Tablet



- Delay aging process
- Boost immune system
- Ensures aged patients to lead better quality of life

MultGold



- Enhances immune system
- Provides energy and growth
- Strengthens the body

RE-ARRANGEMENT OF IPO PROCEEDS

Information as per Prospectus:

It may be recalled that, The Silva Pharmaceuticals Limited issued the prospectus on 02 July, 2018 in relation to the initial public offering (IPO) of the Company's 3,00,00,000 Ordinary shares for the listing with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE),

In the Prospectus, it was disclosed under the head of "Use of Proceeds and implementation schedule" that the company will issue 3,00,00,000 ordinary shares of BDT 10.00 each and raise BDT 30,00,00,000.00 (Thirty Crore) which will be supposed to be used for the following purpose:

Sl.	Particulars	Amount in Tk.
01	Acquisition of brand new machinery and equipment to be placed in newly 2 storied factory building	122,500,000
02	Civil construction of two storied new factory building in owned land	56,000,000
03	Repayment of term loan of NCC Bank Limited (Kawran Bazar Branch)	99,000,000
04	IPO expenses	22,500,000
	Total	300,000,000

Proposed Re-arrangement of IPO Proceeds:

Out of above mentioned work we already use fully repayment of term loan and IPO Expenses and other two works acquisition of machinery & equipment and civil construction of new factory building are also supposed to be completed within April 2020. However, we were save BDT 20,58,526.00 (2,25,00,000.00 - 2,04,41,474.00) from IPO expenses, but our civil construction of factory building expenses to be incurred over the budgeted amount of utilization. In this situation, considering the greater interest of the shareholders the board of directors of the company in its 79th meeting held on 16 October, 2019 recommend to re-arrange the use of IPO proceeds by the balance fund of IPO expenses of BDT 20,58,526.00 to be use of civil construction of new factory building subject to the approval from the shareholders in its 18th Annual General Meeting (AGM) and necessary intimation to the Commission and Exchanges.

AUDIT COMMITTEE REPORT FOR THE YEAR ENDED JUNE 30, 2019

The principal purpose of the Audit Committee is to assist the Board in effective fulfillment of its oversight responsibilities. The Committee has distinct terms of reference (TOR) developed conforming to the Code of Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC) which includes but not confined to overseeing the financial reporting process, monitoring accounting policies and principles, evaluating internal control risk management practices, reviewing the statement of significant related party transactions, assessing potential conflict of interests etc. This report outlines the activities conducted by the Audit Committee throughout the year.

The Committee

Silva Pharmaceuticals Limited established an audit committee as a sub-committee of the Board of Director. The Audit Committee comprises 3 (three) members of the Board—one of them are independent Director. Mr. Md. Musfiqur Rahman, FCA is an independent director of the company and he is also the chairperson of the Audit Committee. The Audit Committee held four meetings during the year.

The membership of the Audit Committee together with their attendance at the meeting is given below:

Name of Member	Designation	Position in the Committee	Attendance in Meeting
Mr. Md. Musfiqur Rahman, FCA	Independent Director	Chairman	4/4
Mrs. Samina Mirza	Director	Member	4/4
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	Director	Member	4/4
Mr. Md. Iqbal Hossain,	Company Secretary	Secretary	4/4

Review of Financial Statements

The Audit Committee in its meeting held on 15th October, 2019 reviewed along with management, the Financial Statements and the report of the auditor for the year ending 30 June, 2019. During the meeting the Chief Financial Officer presented the annual accounts along with the independent auditors report to the committee. The Committee in detail looked into the compliance of the disclosure provisions as per IFRS/IAS/BFRS and other regulatory authorities including BSEC. They further discussed the financial reporting progress and the adequacy of the internal control in place to prevent errors and fraudulent activities.

The committee carefully examined the related party transactions carried out between different associated companies. The committee was well satisfied that the related party transactions were made on an arm's length basis in the normal course of business and the transactions have been appropriately disclosed in the financial statements. The independent auditors' report also did not contain any material audit observation that called for the boards' consideration. The committee being satisfied authorized for onward submission of the Audited Financial Statements to the Board for approval.

Additionally, during the year the Committee met three other occasions to review among others, the Interim Un-audited Financial Statements issued by the company at quarter ends. In each instance, the committee held detailed discussions with senior management on different aspects of the financial statements to ensure accuracy, consistency and compliance of the reports in all material aspects. The committee also considered the related party transactions and found that all related party transactions were made on an arm's length basis.

In reliance to the reviews and considerations of the Audit Committee the Board in each case approved the Financial Statements including the Annual Audited Financial Statements for release to the shareholders.

External Auditor

The Committee assessed the independence, objectivity and expertise of the independent auditors engaged to carry out the Audit for the year 2018-19. Based on the evaluation the Committee has proposed the Board to re-engage existing auditors M/S Mahfel Huq & Co., Chartered Accountants, for the year 2019-20 which shall be subject to the approval of the shareholders in the Annual General Meeting.



(Md. Musfiqur Rahman FCA)
Chairman, Audit Committee

Report on the Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee of Silva Pharmaceuticals Limited is appointed by the Board of Directors, as required by Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) notification. The NRC consists of three members, of whom one is an independent director, one is a shareholder director and rests one is a nominated directors. Pursuant to code 6.5(c) of the codes of corporate governance, the Nomination & Remuneration Policy of the Company is presented hereunder at a glance:

Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee (NRC) was set up with clear terms of reference. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive. The Nomination and Remuneration (NRC) Committee shall, at least once a year, consider its own act and terms of reference to ensure that it is functioning at maximum usefulness and recommends any updates necessary to the Board for consent.

The Composition of the NRC

The Board of Directors has appointed the Nomination & Remuneration Committee comprising at least three members including an Independent Director and all members of the Committee are Non-Executive Directors.

The following members of the Committee are:

Sl. No.	Members	Status with the committee	Status with the Board
1	Mrs. Tanha Zarrin Ahmed	Chairman	Independent Non-Executive Director
2	Mrs. Farhana Mirza	Member	Non-Executive Director
3	Mr. Monsur Rahman, Nominated by Adarsha Fisheries & Poultry Farm Ltd.	Member	Non-Executive Director
4	Mr. Md. Iqbal Hossain	Secretary	Company Secretary


The Responsibilities of the Nomination Committee

The Committee shall be independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- Review and recommend the size and composition of the Board, including review of Board succession plans and the succession of the Chairman.
- Review and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and top level executives.
- Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down, and recommend their appointment/re appointment and removal to the Board.

- Review and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Review the Code of Conduct of Board on a periodic basis, and recommend any amendments for Board consideration.
- Ensure that an effective induction process is in place for any newly appointed Director and regularly review its effectiveness.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- Developing, recommending and reviewing annually the company's human resources and training policies.
- Review and recommend a policy to Board relating to the remuneration of the Directors and top level executive, considering the following:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully,
 - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - Remuneration to Directors and top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Director.
- Review and recommend to the Board the meeting attendance fees for the Non-Executive Directors of the Board.
- Recommend a report to the Board on activities of the Committee during the financial year.
- Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Country's Laws, Rules and Regulations.

On behalf of the Nomination & Remuneration Committee



Tanha Zarrin Ahmed

Chairman

Nomination & Remuneration Committee (NRC)

Dhaka, 16 October, 2019

Certificate of BAPLC



Silva Pharmaceuticals Limited
Declaration by CEO and CFO

Date: 16/10/2019

The Board of Directors
Silva Pharmaceuticals Limited
House # 65, Road # 8/A (New),
Dhanmondi, Dhaka-1209

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Silva Pharmaceuticals Limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: –

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


(Dr. Saira Khan)
Managing Director


(Md. Abul Kasem)
Chief Financial Officer (CFO)



S.R. ISLAM & CO.
Chartered Accountants

38, Pirana Pathan, Navana Mubites Monarch
Shopping Complex (2nd Floor), Suite No. (007)
302 G, 303, Dhaka. Phone : +88-02-5760573-4
Cell : 01814-564444, 01873-044444, 01964-958711

Annexure – B

[Certificate as per condition no. 1(5)(xxvii)]

**Report to the Shareholders of Silva Pharmaceuticals Limited on
compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Silva Pharmaceuticals Limited** for the year ended on June 30, 2019. This Code relates to the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and
- (d) The Governance of the company is highly satisfactory.

Place: Dhaka
Dated: October 16, 2019

Shaiful Alam FCA
Managing Partner
S. R. Islam & Co.
Chartered Accountants

E-mail : sristamco@gmail.com, audit_bg@yahoo.com, Web : www.sristam.com

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:
(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1.00	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors	√		
1(2)	INDEPENDENT DIRECTORS			
1(2) (a)	At least 1/5 th of the total number of directors	√		
1(2)(b)(i)	Does not hold any share or holds less than one percent (1%) shares of total paid up capital.	√		
1(2)(b)(ii)	Not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares.	√		
1(2)(b)(iii)	Has not been an executive of the company in immediately preceding 2 (two) financial years.	√		
1(2)(b)(iv)	Has any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		
1(2)(b)(v)	Not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	√		
1(2)(b)(vii)	Not the partners or executives during preceding 3 (three) years of concerned company's statutory audit firm.	√		
1(2)(b)(viii)	Not the independent directors in more than 5 (five) listed companies.	√		
1(2)(b)(ix)	Not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBF).	√		
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude.	√		

1(2)(c)	Shall be appointed by the Board of Directors and approved by the Shareholders in the AGM.	√		
1(2)(d)	The post of independent directors cannot remain vacant for more than 90 days.	√		
1(2)(e)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	√		
1(3)	QUALIFICATION OF INDEPENDENT DIRECTOR			
1(3)(a)	Independent Director shall be knowledgeable individual with integrity who is able to ensure required compliance.	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of F&A or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA or CMA or CFA or CCA or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the MD and/or CEO of the company shall be filled by different individuals	√		
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		

1(4)(d)	Separate Chairman and CEO and clearly defined roles and responsibilities.	√		
1(4)(e)	Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson	√		
1(5)	The Directors Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance.	√		
1(5)(iii)	Risks and concerns	√		
1(5)(iv)	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.	√		
1(5)(vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	√		
1(5)(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	√		
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.	√		
1(5)(x)	Remuneration to directors including independent directors.	√		
1(5)(xi)	The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operation, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of accounts of the 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)	IAS, BAS, IFRS, 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)	Interest of Minority Shareholders	√		
1(5)(xvii)	There are no significant doubts upon the company's ability to continue as a going concern.	√		

1(5)(xviii)	Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained.	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		
1(5)(xxi)	Effect that no bonus shares or stock dividend has been declared as interim dividend	√		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1(5)(xxiii)	The Pattern of shareholding:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	√		
1(5)(xxiii)(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)(xxiii)(c)	Executives (top five salaried employees of the company other than stated in 1.5(xxii)b);	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)	Appointment or re-appointment of a director			
1(5)(xxiv)(a)	A brief resume of the Director;	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	Management discussion and analysis of financial statements			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xxv)(c)	comparative analysis	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	√		

1(5)(xxv)(f)	risks and concerns	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board	√		
1(5)(xxvii)	Certificate regarding compliance of conditions of this Code	√		
1(6)	Meetings of the Board of Directors	√		
1(7)	Code of conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	Board shall lay down a code of conduct	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	√		
2.00	Governance of Board of Directors of Subsidiary Company	The Company has no Subsidiary Company		
2(a)	Provisions relating to the composition of the Board of the holding company			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review			N/A
2(d)	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
2(e)	The Audit Committee of the holding company shall also review the financial statements			N/A
3.00	Managing Director(MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a MD or CEO, a Company Secretary, a CFO and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	The positions of the MD or CEO, Company Secretary, CFO and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		

3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board	√		
3(2)	The MD or CEO, CS, CFO and HIAC shall attend the meeting of the Board of Directors'	√		
3(3)	<i>Duties of MD or CEO and CFO</i>			
3(3)(a)	<i>Certified by MD and CFO that they have reviewed financial statements and that to the best of their knowledge and belief:</i>			
3(3)(a)(i)	Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	True and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(b)	MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4.00	BOARD OF DIRECTORS' COMMITTEE			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.00	Audit Committee			
5(1)	<i>Responsibility to the Board of Directors</i>			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	√		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	<i>Constitution of the Audit Committee</i>			
5(2)(a)	The Audit Committee shall be composed of at least 3 members.	√		
5(2)(b)	Constitution of Audit Committee with Board Members including one Independent Director.	√		

5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
5(2)(d)	Filling of Casual Vacancy in Committee			There was no such issue
5(2)(e)	The Company Secretary shall act as the secretary of the Committee.	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director.	√		
5(3)(b)	In absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson	√		
5(3)(c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Monitor Internal Control Risk management process.	√		
5(5)(d)	Oversee hiring and performance of external auditors.	√		
5(5)(e)	Hold meeting with the external or statutory auditors	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
5(5)(g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	√		
5(5)(h)	Review the adequacy of internal audit function.	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management.	√		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		

5(5)(l)	Oversee the determination of audit fees	√		
5(5)(m)	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.	√		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors.			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.			There was no such issue
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the Internal control system;			There was no such issue
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;			There was no such issue
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.			There was no such issue
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			There was no such issue
5(7)	Reporting of activities of the Audit Committee to the Shareholders and General Investors.	√		
6.00	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors'			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	√		

6(2)	<i>Constitution of the NRC</i>			
6(2)(a)	The Committee shall comprise of at least three members including an independent director	√		
6(2)(b)	All members of the Committee shall be non-executive directors	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6(3)	<i>Chairperson of the NRC</i>			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		
6(4)	<i>Meeting of the NRC</i>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		

6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h)	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy	√		
7.00	External/Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors' to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial Information System design and implementation;	√		

7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√
7(1)(iv)	Broker-dealer services;	√
7(1)(v)	Actuarial services;	√
7(1)(vi)	Internal audit services or special audit services	√
7(1)(vii)	Any services that the Audit Committee determines;	√
7(1)(viii)	Audit/certification services on compliance of corporate governance as required under condition No. 9(1);	√
7(1)(ix)	Any other service that creates conflict of interest.	√
7(2)	No partner or employees of the external audit firms shall possess any share of the company	√
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting	√
8.00	Maintaining a website by the Company	
8(1)	The company shall have an official website linked with the website of the stock exchange	√
8(2)	The company shall keep the website functional from the date of listing	√
8(3)	The company shall make available the detailed disclosures on its website	√
9.00	Reporting and Compliance of Corporate Governance	
9(1)	The company shall obtain a Certificate from a practicing Professional Accountant or Secretary (CA/CMA/CS) regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√
9(2)	The professional who will Provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the AGM	√
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√



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Chartered Accountants
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8/C, Tower (4th Floor)
34, Topkhana Road
Dhaka-1003, Bangladesh
Tel: +88-02-8533343, 8561799
Fax: +88-02-9671326
E-mail: info@mahfelhuq.com
Web: www.mahfelhuq.com

Independent Auditor's Report To the Shareholders of Silva Pharmaceuticals Limited

Report on the Audit of the Financial

Statements Opinion

We have audited the Financial Statement of Silva Pharmaceuticals Limited (the 'Company'), which comprise the Statement of Financial Position as at 30 June 2019, and the 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 notes to the Financial Statement, including a summary of significant accounting policies.

In our opinion, the Financial Statements give true and fair view of the Financial Position of the Company as at 30 June 2019, and of its Financial Performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statement of the current period. These matters were addressed in the context of our audit of the Financial Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Risk	Our responses to the risk
<p>Revenue recognition</p> <p>At year end the Company reported total revenue of BDT 732,450,190.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales. Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • segregation of duties in invoice creation and modification; • timing of revenue recognition; • calculation of discounts and rebates. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • performing analytical review; • obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards.
See note no. 17.00 to the financial statements	
Inventory	
<p>The Company had inventory of BDT 397,462,763 as at 30 June 2019, held in distribution centers, warehouse and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgement in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of distribution centres, warehouses and branches; • attending annual inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • comparing the net realizable value, obtained through a review of sales subsequent to the year-end, to the cost price of a sample of inventories.
See note no. 6.00 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statement and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. The directors are responsible for the other information. Our opinion on the Financial Statement does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read



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the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the Financial Statement in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of Financial Statement that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's Financial Reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the Financial Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statement.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the Financial Statement, including the disclosures, and whether the Financial Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dhaka, 16 October, 2019

Howlader Mahfel Huq, FCA
For and on behalf of Mahfel Huq & Co.
Chartered Accountants



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Silva Pharmaceuticals Limited

Statement of Financial Position

As at 30 June, 2019

Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
ASSETS			
Non Current Assets		1,241,202,338	1,088,236,707
Property, Plant and Equipment	4.00	1,232,602,338	890,460,110
Capital work-in-Progress	5.00	8,600,000	197,776,597
Current Assets		1,060,520,369	913,520,356
Inventories	6.00	397,462,763	389,774,512
Trade and Other Receivables	7.00	259,260,489	249,791,383
Advances, Deposits and Prepayments	8.00	109,605,666	138,657,501
Investment in FDR	9.00	251,800,000	85,000,000
Cash and Cash Equivalents	10.00	42,391,451	50,296,960
Total Assets		2,301,722,707	2,001,757,063
SHAREHOLDERS EQUITY AND LIABILITIES:			
Equity attributable to the Shareholders		2,133,442,946	1,710,561,004
Share Capital	11.00	1,300,000,000	1,000,000,000
Retained Earnings	12.00	833,442,946	710,561,004
Non-Current Liabilities		78,520,043	91,219,792
Deferred Tax Liabilities	13.00	78,520,043	91,219,792
Current Liabilities		89,759,718	199,976,267
Trade and Other Payables	14.00	4,391,454	4,461,993
Current Portion of Long term Loan	15.00	-	99,000,000
Provision for Expenses	16.00	85,368,264	96,514,274
Total Liabilities		168,279,761	291,196,059
Total Equity & Liabilities:		2,301,722,707	2,001,757,063
Net Assets Value (NAV) per share	25.00	16.41	17.11

The annexed notes (1-30) form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Signed as per our separate report on same date.

Dhaka, October 16, 2019


Mahfel Huq & Co.
Chartered Accountants



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Silva Pharmaceuticals Limited
Statement of Profit or Loss and other Comprehensive Income
For the year Ended June 30, 2019

Particulars	Notes	Amount in Taka	
		01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
Turnover	17.00	732,450,190	685,233,408
Cost of goods sold	18.00	(440,501,039)	(412,239,594)
Gross Profit		291,949,151	272,993,814
Operating expenses	19.00	(141,697,442)	(125,410,284)
Operating Income		150,251,709	147,583,530
Financial expenses	20.00	(3,613,899)	(5,620,364)
Net Operating Profit		146,637,810	141,963,166
Interest and Other income	21.00	18,547,018	9,106,860
Net Profit before Contribution to WPPF		165,184,828	151,070,026
Worker's Profit Participation fund (WPPF)	22.00	(7,865,944)	(7,193,811)
Net Profit before Income Tax		157,318,884	143,876,215
Income Tax Expenses:		(13,995,468)	(50,882,274)
Current Tax Expenses	23.01	(26,695,217)	(45,693,708)
Deferred Tax Income /(Expenses)	23.02	12,699,749	(5,188,566)
Net Profit after tax		143,323,416	92,993,941
Earnings per Share (EPS)	24.00	1.15	0.93

The annexed notes (1-30) form an integral part of these financial statements.

S. S. S.
Managing Director

M. M.
Director

S. S.
Company Secretary

Signed as per our separate report on same date.

Dhaka, October 16, 2019

M. H. H.
Mahfel Huq & Co.
Chartered Accountants



Mahfel Huq & Co.
Chartered Accountants
Incorporated under the Companies Act, 1992



Silva Pharmaceuticals Limited

Statement of Changes in Equity

For the year Ended June 30, 2019

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 1st July, 2018	1,000,000,000	710,561,004	1,710,561,004
Net profit after tax during the year	-	143,323,416	143,323,416
IPO Expenses	-	(20,441,474)	(20,441,474)
Issue of Share Capital	300,000,000	-	300,000,000
Balance as at 30 June, 2019	1,300,000,000	833,442,946	2,133,442,946

For the year ended June 30, 2018

Particulars	Amount in Taka		
	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 year	-	92,993,941	92,993,941
Dividend Paid	-	(30,230,000)	(30,230,000)
Balance as at 30 June, 2018	1,000,000,000	710,561,004	1,710,561,004

The annexed notes (1-30) form an integral part of these financial statements.

S. M. Islam
Managing Director

M. M. Islam
Director

M. M. Islam
Company Secretary

Signed as per our separate report on same date.

Dhaka, October 16, 2019

M. M. Islam
Mahfel Huq & Co.
Chartered Accountants



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Silva Pharmaceuticals Limited
Statement of Cash Flows
For the year ended June 30, 2019

Particulars	Amount in Taka	
	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
Cash flows from Operating Activities		
Cash received from Customers	723,356,483	688,671,153
Cash received from non-operating income	18,171,619	9,376,697
Cash Paid to Suppliers	(373,275,173)	(368,379,497)
Cash Paid to Employees	(116,909,769)	(114,657,415)
Cash Paid for Others	(32,103,063)	(29,485,608)
Income Tax Paid	(29,261,184)	(51,916,864)
Net cash inflow/(outflow) from operating activities (A)	189,978,913	133,608,466
Cash flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(111,509,232)	(108,082,192)
Cash Payments for Capital Work-in-progress	(93,797,317)	(60,785,920)
Cash Payments for FDR	(166,800,000)	35,000,000
Net cash flow used in investing activities (B)	(372,106,549)	(133,868,112)
Cash flows from Financing Activities		
Issuance of Share Capital	300,000,000	-
Long Term Loan received/(Repaid)	(99,000,000)	-
Cash payment for IPO Expenses	(20,441,474)	-
Cash payment for Financial Expenses	(6,336,399)	(2,722,500)
Dividend Paid	-	(30,230,000)
Net cash flow used in financing activities (C)	174,222,127	(32,952,500)
Net increase/(decrease) of Cash and Cash Equivalents (A+B+C)	(7,905,509)	(33,212,146)
Cash and Cash Equivalents at the beginning of the year	50,296,960	83,509,106
Cash and Cash Equivalents at the end of the year	42,391,451	50,296,960
Net Operating Cash Flows per Share	Note- 26	
	1.52	1.34

S. Hossain
Managing Director

M. A. Hossain
Director

[Signature]
Company Secretary

Signed as per our separate report on same date.

[Signature]
Mahfel Huq & Co.
Chartered Accountants

Dhaka, October 16, 2019

Silva Pharmaceuticals Limited
Notes to the Financial Statements
For the year Ended June 30, 2019

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. the Company was listed with Dhaka Stock Exchange Limited (DSE) on 23th September 2018 and Chittagong Stock Exchanges Limited (CSE) on 16th September, 2018. From 10th October, 2018 the shares of the company's are traded in the both Stock exchanges.

1.02 Address of the Registered Office and Factories

The registered and corporate office of the company is located at House # 65, Road No. 8/A (New), Dhanmondi, Dhaka-1209, Bangladesh.

Factory of the company is situated at Main Road, Majdée 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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), 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 IAS-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 IAS-1 "Presentation of Financial Statements" in preparation and presentation of the financial statements. The previous period's figures were presented according to the same accounting principles. Compared to the previous period, 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

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, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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, 2018 to 30 June, 2019.

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 as on 16.10.2019.

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, 2017 to 30 June, 2018 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 IAS-8 "Accounting policies, Changes in Accounting estimates and Errors".

2.13 Components of Financial Statements

According to the International Accounting Standards (IAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components

- i) Statement of Financial Position as at 30 June, 2019;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year from 01 July, 2018 to 30 June, 2019;

- iii) Statement of Changes in Equity for the year from 01 July, 2018 to 30 June, 2019;
- iv) Statement of Cash Flows for the year from 01 July, 2018 to 30 June, 2019; and
- v) Accounting Policies and Explanatory Notes.

2.14 Application of Standards (IAS's)

The application of the following IAS's in the Financial statements for the year under review

Name of the Accounting Standards	Reference No.
Presentation of Financial Statements	IAS-1
Inventories	IAS-2
Statement of Cash Flows	IAS-7
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8
Events after the Reporting period	IAS-10
Income Taxes	IAS-12
Property, Plant & Equipment	IAS-16
Revenue Recognition	IFRS-15
Employee Benefits	IAS-19
The Effects of Changes in Foreign Exchange Rates	IAS-21
Borrowing Costs	IAS-23
Related Party Disclosures	IAS-24
Financial Instruments: Presentation	IAS-32
Earnings Per Share	IAS-33
Impairment of assets	IAS-36
Provisions, Contingent Liabilities and Contingent Assets	IAS-37
Financial Instruments	IFRS-9
Fair Value Measurement	IFRS-13
Leases	IFRS-16

3.00 Significant Accounting Policies

3.01 Property, Plant and Equipment (PPE)

i) Recognition and Measurement

In compliance with the IAS 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, 2019
Plant & Machinery	10%
Generator	10%
Building Decoration	10%
Electrical Installation	10%
Gas Installation	10%
Office Equipment	10%
Factory Equipment	10%
Furniture and Fixture	10%
Vehicles	20%
Power House	10%
Laboratory Equipment	10%
Factory Building & Warehouse	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 IAS-36 "Impairment of Assets". All assets have been reviewed according to IAS-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 IAS-2 "Inventories". 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

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 are recognized in the financial statements in line with the International Accounting Standards (IAS)-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 IAS 37 as on 30 June, 2019.

3.06 Related Party Disclosures

As per International Accounting Standards IAS-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-29.00 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 IAS 19 Employee Benefits.

The company's employee benefits include the following

i) Short Term Employee Benefits

Short-term employee benefits include salaries, bonus 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 provisions of the Bangladesh Labour Act, 2006 (Amendment 2013) and is payable to the workers as define in the said Law.

iii) Provident Fund

The company has established contributory provident fund scheme. The fund is wholly administered by a Board of Trustees. No part of the fund is included in the assets of the company.

3.08 Revenue Recognition

- (a) Sales of Goods In compliance with the requirements of IFRS 15 "Revenue Recognition", revenue is recognized for local sales of pharmaceuticals Drugs and Medicines at the time of delivery to chemists/institutions.
- (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 IAS-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 IAS-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 IAS-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 IFRS-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 IAS-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 IAS 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 IAS-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 International Accounting Standard IAS-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 IAS-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 IAS-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.

The Board of Directors of the Company has recommended 11% [6% cash for all shareholders excluding Sponsor & Directors (excluding ICB) and 5% stock for all shareholders]dividend in its 79th board meeting dated 16 October, 2019.

4.00 Property, Plant and Equipment

The break up of the amount is as follows

A. At Cost

	Amount in Taka	
	30-Jun-19	30-Jun-18
Opening Balance	1,406,967,712	1,171,185,520
Addition during the year	394,483,146	235,782,192
Total Cost	1,801,450,858	1,406,967,712

B. Accumulated Depreciation

Opening Balance	516,507,602	464,446,968
Depreciation for the year	52,340,918	52,060,634
Total Depreciation	568,848,520	516,507,602

Written Down Value (WDV)

1,232,602,338	890,460,110
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Details of Property, Plant and Equipment and Depreciation are shown in the annexed **Annexure-A**.

5.00 Capital Work in Progress

This is made up as follows

Opening Balance	197,776,597	136,990,677
Add: Addition during the year	93,797,317	79,114,440
Total	291,573,914	216,105,117
Less: Transfer to Assets During the year	282,973,914	18,328,520
Closing Balance	8,600,000	197,776,597

Itemwise Details Calculation shown in below

Item Name	Opening balance	Addition during the year	Transfer to Asset	Closing Balance
Factory Building Decoration	56,348,805	22,256,160	78,604,965	-
Electrical Installation	23,715,620	11,455,650	35,171,270	-
Factory Building	117,712,172	51,485,507	169,197,679	-
New Factory Building	-	8,600,000	-	8,600,000
Total	197,776,597	93,797,317	282,973,914	8,600,000

6.00 Inventories

This is made up as follows

Raw Materials	18.01	187,257,845	186,725,468
Packing Materials	18.02	53,742,158	52,163,975
Spares & Tools	18.03	22,946,522	21,356,248
Promotional Materials & Gift items	19.02.01	29,361,724	27,145,877
Finished goods		99,937,678	98,246,759
Work in Process-Closing		4,216,836	4,136,185
Total		397,462,763	389,774,512

6.01 Physical verification of the inventories was carried out by the management staff in presence of the auditor team. Stock has been valued on the basis of valuation is stated in note-3.03.

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		254,961,024	245,867,317
Interest Receivables	7.01	4,299,465	3,924,066
Closing Balance		259,260,489	249,791,383

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	-	-
Receivables due below six months	254,961,024	245,867,317
Total	254,961,024	245,867,317

7.01 Interest Receivable

Opening Balance	3,924,066	4,193,903
Add: Addition during the year	16,092,609	8,089,884
Total	20,016,675	12,283,787
Less: Received During the year	15,717,210	8,359,721
Closing Balance	4,299,465	3,924,066

8.00 Advances, Deposits and Prepayments

This is made up as follows

Advances & Prepayments		109,228,456	138,280,291
Advance Income Tax	8.01	80,483,559	87,507,470
Advance against Purchase		10,395,255	24,937,246
Advance against L/C		2,356,420	8,150,500
Advance against Travelling & Others		1,845,865	1,632,500
Motor-cycle Advances		5,245,845	7,945,000
Employee Advance		1,664,500	1,962,000
Advance against Office Rent		2,706,600	3,166,600
Prepayments of VAT		4,530,412	2,978,975
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		109,605,666	138,657,501

Advances: These advances are un-secured but good and subsequently realized and/or adjusted.

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 Balance	87,507,470	87,174,130
Add: Payment made during the year	29,092,293	51,391,266
Total	116,599,763	138,565,396
Less: Adjustment made During the year (for Assessment year 2017-2018)	36,116,204	51,057,926
Closing Balance:	80,483,559	87,507,470

9.00 Investment in FDR

The above balance is made up as follows

Bank Name	Branch	Amount in Taka	
Jamuna Bank Ltd.	Foreign Exchange, Dhaka	31,800,000	10,000,000
Union Bank Ltd.	Panthapath, Dhaka	60,000,000	75,000,000
Shahjalal Islami Bank Ltd.(Short Term Investment)	Satmosjid Road Branch, Dhaka	160,000,000	-
Total		251,800,000	85,000,000

10.00 Cash and Cash Equivalents

The above balance is made up as follows

Particulars

Cash in Hand at factory		2,245,956	3,010,545
Cash (HO)		1,258,750	2,606,549
Cash (Depot)		16,137,872	17,607,990
Postal Imprest		8,450	3,065
Cash at Bank	10.01	22,740,423	27,068,811
Total		42,391,451	50,296,960

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	Kawranbarazar	-	26,329,929
Al-Arafah Islami Bank Ltd.	1311020011891	Dhanmondi	106,239	11,538
Al-Arafah Islami Bank Ltd.	01311270001386	Dhanmondi	20,249	20,661
Dutch Bangla Bank Ltd.	171.110.380	Satmosjid Road	399,729	510,566
Dutch Bangla Bank Ltd.	1711200002165	Satmosjid Road	46,319	9,192
Dutch Bangla Bank Ltd.	1715040005666	Satmosjid Road	2,062,100	-
National Bank Ltd.	1063000829560	Dhanmondi	276,944	48,133
Jamuna Bank Ltd.	0018-0210015437	Foreign Exchange	46,793	4,407
Union Bank Ltd.	31210000536	Panthapath	167,287	24,032
Sonali Bank Ltd.	2000602	Zigatola	233,537	110,353
Shahjalal Islami Bank Ltd.	401213100009660	Satmosjid Road	19,381,226	-
Total			22,740,423	27,068,811

11.00 Share Capital

This is made up as follows

11.01 Authorized Share Capital

15,00,00,000 ordinary shares of Tk 10/= each

1,500,000,000 **1,500,000,000**

11.02 Issued, subscribed and paid-up share capital

10,00,00,000 ordinary shares of Taka 10/= each

Add: Issued during the year 3,00,00,000 ordinary shares @ Tk. 10/- each through Initial Public Offering (IPO).

Total 13,00,00,000 ordinary shares of Taka 10/= each.

1,000,000,000	1,000,000,000
300,000,000	-
1,300,000,000	1,000,000,000

Paid up capital of the company has been raised to Tk. 130,00,00,000.00 divided into 13,00,00,000 ordinary shares of tk. 10.00 each through allotment of Tk. 30,00,00,000.00 divided into 3,00,00,000 no's of ordinary shares through Initial Public Offering (IPO) as on 30.08.2018 as per BSEC consent letter no: BSEC/Ci/IPO-269/2017/429 dated 28.06.2018. The Company was listed with Dhaka Stock Exchange Limited (DSE) on 23th September 2018 and Chittagong Stock Exchanges Limited (CSE) on 16th September, 2018. From 10th October, 2018 the shares of the company's are traded in both Stock exchanges.

The shareholding position at the end of the year as on 30 June, 2019 are shown below

Sl. No.	Category of Shareholders	No. of Ordinary Shares Held	Paid-up Capital (BDT)	Percentage (%) of Paid-up	Percentage (%) of Paid-up
A.	Directors & Sponsors/promoters	69,540,000	695,400,000	53.49%	69.54%
B.	Government	-	-	0.00%	0.00%
C.	Institute	24,402,718	244,027,180	18.77%	5.00%
D.	Foreign	129,392	1,293,920	0.10%	0.00%
E.	Public	35,927,890	359,278,900	27.64%	25.46%
Total		130,000,000	1,300,000,000	100.00%	100.00%

The range of shareholdings are shown below

Sl. No.	Shareholding Range	No. of Shareholders	No. Of Shares	Percentage (%)
1	Upto 500 Shares	3,756	1,456,880	1.12%
2	From 501 to 5,000 Shares	1,812	3,948,880	3.04%
3	From 5,001 to 10,000 Shares	435	3,352,094	2.58%
4	From 10,001 to 20,000 Shares	239	3,471,274	2.67%
5	From 20,001 to 30,000 Shares	89	2,206,253	1.70%
6	From 30,001 to 40,000 Shares	38	1,370,547	1.05%
7	From 40,001 to 50,000 Shares	34	1,617,844	1.24%
8	From 50,001 to 1,00,000 Shares	78	5,892,722	4.53%
9	From 1,00,001 to 10,00,000 Shares	66	19,048,006	14.65%
10	From 10,00,001 and above Shares	19	87,635,500	67.41%
Total		6,566	130,000,000	100.00%

12.00 Retained Earnings

This is made up as follows

Opening balance

Add: Addition during the year

Total

Less: IPO Expenses

Less: Dividend Paid

Closing Balance

710,561,004	647,797,063
143,323,416	92,993,941
853,884,420	740,791,004
20,441,474	-
-	30,230,000
833,442,946	710,561,004

13.00 Deferred Tax Liabilities

This is made up as follows

Written Down Value of Non-Current Assets as per accounts	1,232,602,338	890,460,110
Written Down Value of Non-Current Assets as per Tax base	918,522,167	629,832,134
Taxable Temporary Difference	314,080,171	260,627,976
Effective Tax Rate	25%	35%
Deferred Tax Liabilities	78,520,043	91,219,792

14.00 Trade and Other Payables

This is made up as follows

Particulars

Global capsules Ltd.	52,485	56,975
Alvi Enterprise	26,480	58,350
Bhai Bhai Printing & Packaging	52,500	87,460
BIO Lab	35,470	106,456
Bultrade Foils	62,458	53,578
Crystal Flexipack Ltd.	38,250	50,770
Metro Foils Ltd.	46,875	58,956
Sun Shine Traders	726,845	814,225
Rasayan Ghar	594,782	392,113
JMS Glass Industries	28,457	40,326
AGI Printing & Packaging Ltd.	878,450	475,213
R.B. Printers	164,785	218,555
Dhaka Foil Corporation	285,460	444,547
Poly web Printing & Packaging	286,525	265,134
Quality Can Industries	68,457	61,348
Reaz Enterprise	915,725	387,196
W & W Company Ltd.	-	774,833
Tanim Plastic Industries	127,450	115,958
Total	4,391,454	4,461,993

This represents the amount payable to suppliers of raw materials, packing materials, etc. All suppliers were paid on a regular basis.

15.00 Current Portion of Long Term Loan

This is made up as follows

Outstanding position of Long Term Loan from NCC Bank Limited is shown below

Opening Balance	99,000,000	99,000,000
Add: Addition during the year	-	-
Total	99,000,000	99,000,000
Less: Paid during the year	99,000,000	-
Closing Balance	-	99,000,000

16.00 Provision for expenses

This is made up as follows

Particulars

Directors Remuneration		100,000	100,000
Field Forces Expenses		172,458	168,542
Utilities		289,714	292,526
Office Rent		253,010	243,500
Salary & Wages		5,295,407	4,897,500
Audit Fees		195,500	115,000
Overtime		46,825	43,586
Printing & Stationery		14,623	12,648
Interest payable	16.01	-	2,722,500
Worker's Profit Participation Fund (WPPF)	16.02	7,865,944	7,193,811
Provision for Income Tax	16.03	71,134,783	80,724,661
Total		85,368,264	96,514,274

16.01 Interest Payable

This is made up as follows

Opening balance		2,722,500	-
Add: Provision made during the year		3,613,899	5,445,000
Total		6,336,399	5,445,000
Less: Paid/Adjustment made during the year		6,336,399	2,722,500
Closing balance		-	2,722,500

16.02 Worker's Profit Participation Fund (WPPF)

This is made up as follows

Opening balance		7,193,811	11,936,217
Add: Provision made during the year		7,865,944	7,193,811
Total		15,059,755	19,130,028
Less: Paid/Adjustment made during the year		7,193,811	11,936,217
Closing balance		7,865,944	7,193,811

16.03 Provision for Income Tax

This is made up as follows

Opening balance		80,724,661	86,614,477
Add: Provision made during the year		26,695,217	45,693,708
Total		107,419,878	132,308,185
Less: Paid/Adjustment made during the year (2016-2017)		36,285,095	51,583,524
Closing balance		71,134,783	80,724,661

17.00 Turnover

This is made up as follows

Particulars

Local Sales (Net)

Total

<i>Amount in Taka</i>	
01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
732,450,190	685,233,408
732,450,190	685,233,408

18.00 Cost of goods sold

This is made up as follows

Raw materials consumed

Packing materials consumed

Consumable item consumed

Work in process- Opening

Work in process- Closing

Change in work in process**Total consumption**

Add: Manufacturing Overhead

Add: Depreciation

Cost of production

Finished goods - Opening

Finished goods - Closing

Change of finished goods stock

Less: Cost of Physician Sample

Cost of Goods Sold

18.01

18.02

18.03

18.04

226,229,307	213,048,774
120,906,639	114,232,151
18,334,805	16,639,389
365,470,751	343,920,314
4,136,185	3,770,438
4,216,836	4,136,185
(80,651)	(365,747)
365,390,100	343,554,567
36,028,478	34,880,757
48,677,054	48,416,390
450,095,632	426,851,714
98,246,759	88,911,132
99,937,678	98,246,759
(1,690,919)	(9,335,627)
7,903,674	5,276,493
440,501,039	412,239,594

18.01 Raw materials consumed

This is made up as follows

Opening Stock

Add: Purchase during the year

Available for production

Less: Closing Stock

Consumption during the year

186,725,468	177,740,281
226,761,684	222,033,961
413,487,152	399,774,242
187,257,845	186,725,468
226,229,307	213,048,774

18.02 Packing materials consumed

This is made up as follows

Opening Stock

Add: Purchase during the year

Available for Consumed

Less: Closing Stock

Consumption during the year

52,163,975	50,122,152
122,484,822	116,273,974
174,648,797	166,396,126
53,742,158	52,163,975
120,906,639	114,232,151

18.03 Consumable Spares & Tools

This is made up as follows

Opening Stock

Add: Purchase during the year

Consumable Spares & Tools available

Less: Closing Stock

Consumption during the year

21,356,248	20,902,753
19,925,079	17,092,884
41,281,327	37,995,637
22,946,522	21,356,248
18,334,805	16,639,389

18.04 Manufacturing overhead

This is made up as follows

Salary & Wages	19,382,783	18,712,950
Workers' benefit and welfare expense	2,054,349	2,053,052
Overtime	593,383	655,864
Laboratory Expenses	996,162	966,688
Postage & Stamp	225,218	232,878
Indirect materials	2,274,932	2,247,318
Electricity Bill	2,552,234	1,929,437
Gas bill	68,308	68,903
Factory Rent	600,000	552,000
Uniform and liveries	129,510	392,160
Carriage Inward	1,263,516	1,251,653
Medical Expenses	426,438	474,940
Power & Fuel	1,860,948	1,846,255
Printing & Stationery	519,268	533,582
Conveyance	230,599	227,792
Repairs & Maintenance	1,958,150	1,863,796
Sanitation & Cleaning	485,083	477,329
Entertainment	407,597	394,160
Total	36,028,478	34,880,757

19.00 Operating Expenses

This is made up as follows

Administrative Expenses	19.01	27,750,180	26,925,876
Selling & Distribution Expenses	19.02	113,947,262	98,484,408
Total		141,697,442	125,410,284

19.01 Administrative Expenses

This is made up as follows

Salaries and allowances	15,684,055	14,766,500
Printing & Stationery	473,514	454,097
Phone, Fax and Mobile Bill	211,167	208,336
Postage & Stamps	70,007	67,737
Tours and Travelling Expenses	116,092	115,598
Utility Bill	1,170,701	1,159,957
Entertainment	140,341	137,385
Medical & Welfare Expenses	74,323	71,657
Licenses Renewal and Registration Fee	257,271	392,085
Audit Fees	172,500	115,000
Office Rent	1,832,780	1,832,780
Directors Remuneration	1,200,000	1,200,000
Board meeting attending fees	310,500	232,875
Depreciation	3,140,455	3,123,638
Repairs & Maintenance	212,240	207,354
RISC Exp.	9,795	9,295
Contribution to Provident Fund	1,347,439	1,631,582
Legal & Professional fees	1,327,000	1,200,000
Total	27,750,180	26,925,876

19.02 Selling & Distribution Expenses

This is made up as follows

Salaries and allowances		70,866,462	59,540,052
Field forces expenses		6,173,360	5,903,977
Transportation & Handling Expenses		1,945,856	1,949,609
Business Promotion Expenses		282,225	279,594
Repair & Maintenance		453,735	446,554
Traveling Expenses		566,019	560,222
Phone, Fax and Mobile Bill		114,745	113,456
Sample Expenses		7,903,674	5,276,493
Consumption of promotional materials	19.02.01	19,878,341	18,913,825
Postage & Courier		160,893	158,436
Entertainment		302,876	301,433
Printing & Stationery		456,701	453,457
Training Expenses		190,643	188,984
Bank Charge		440,056	255,058
Office Rent		2,538,050	2,496,000
Depreciation		523,409	520,606
Vehicle Maintenance		579,388	558,576
Loading & Unloading		462,561	461,851
License fees & Renewals		108,268	106,225
Total		113,947,262	98,484,408

19.02.01 Promotional materials & Gift Items

This is made up as follows

Opening Stock		27,145,877	28,101,578
Add: Purchase during the year		22,094,188	17,958,124
Available		49,240,065	46,059,702
Less: Closing Stock		29,361,724	27,145,877
Consumption during the year		19,878,341	18,913,825

20.00 Financial Expenses

This is made up as follows

Interest on Short Term Loan		3,613,899	5,445,000
Bank Charge & Commission		-	175,364
Total		3,613,899	5,620,364

21.00 Other Income

This is made up as follows

Interest on FDR		16,092,609	8,089,884
Interest on Bank STD Accounts		1,520,791	33,426
Sale of Wastage		933,618	983,550
Total		18,547,018	9,106,860

22.00 Workers Profit Participation Fund (WPPF)

This balance consists of as follows

Net Profit before Contribution to WPPF		165,184,828	151,070,026
Rate of contribution to WPPF(%)		5.00%	5.00%
Workers Profit Participation Fund (WPPF)		7,865,944	7,193,811

Note: Allocation for workers' profit participation fund has been made @ 5% of profit after charging such expenses as per provisions of the Bangladesh Labour Act, 2006 (Amendment 2013).

23.00 Income Tax expenses**23.01 Current Tax Expenses**

This is made up as follows

Net Profit before Income Tax	157,318,884	143,876,215
Add: Accounting Depreciation	52,340,918	52,060,634
Less: Tax Depreciation	105,793,113	66,885,107
Taxable Profit	103,866,689	129,051,742
Tax Rate	25.00%	35.00%
Current Tax Expenses during the year	25,966,672	45,168,110
Current Tax Expenses for the previous year (Assessment year 2017-18)	728,545	525,598
Total Current Tax Expenses	26,695,217	45,693,708

23.02 Deferred Tax Expenses/(Income)

Written Down Value of Non-Current Assets as per accounts

Written Down Value of Non-Current Assets as per accounts	1,232,602,338	890,460,110
Written Down Value of Non-Current Assets as per Tax base	918,522,167	629,832,134
Taxable Temporary Difference	314,080,171	260,627,976
Effective Tax Rate	25%	35%
Current year Deferred Tax Liabilities	78,520,043	91,219,792
Opening Deferred Tax Liabilities	91,219,792	86,031,226
Deferred Tax Expenses/(Income)	(12,699,749)	5,188,566

24.00 Earnings Per Share

This is made up as follows

Net profit after Tax	143,323,416	92,993,941
Weighted Average Number of Shares Outstanding	125,068,493	100,000,000
Earnings Per Share (EPS)	1.15	0.93

24.01 Weighted average number of Ordinary Shares Outstanding

This is arrived at as follows

Particulars	No. of Shares	Days	Weight	Weighted Average No. of Shares	
				30-Jun-19	30-Jun-18
Opening balance	100,000,000	365	1.0000	100,000,000	100,000,000
Issued new Share (30.08.2018)	30,000,000	305	0.8356	25,068,493	-
Total	130,000,000			125,068,493	100,000,000

25.00 Net Asset Value (NAV) Per Share

	30-Jun-19	30-Jun-18
Total Assets	2,301,722,707	2,001,757,063
Less: Total Liabilities	168,279,761	291,196,059
Net Asset Value	2,133,442,946	1,710,561,004
Total Number of Shares outstanding	130,000,000	100,000,000
Net Asset Value (NAV) Per Share	16.41	17.11

26.00 Net Operating Cash Flow Per Share(NOCFPS)

	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
Net Operating Cash Flow	189,978,913	133,608,466
Weighted Average Number of Shares Outstanding	125,068,493	100,000,000
Net Operating Cash Flows Per Share(NOCFPS)	1.52	1.34

27.00 Disclosure as per requirement of the Companies Act, 1994**27.01 Disclosure as per Schedule XI, part I, para 4 of the Companies Act, 1994 are given below:**

Sl. No.	Particulars	30-Jun-19	30-Jun-18
		Amount in Taka	
I	Receivables considered good and in respect of which the company is fully secured.	-	-
II	Receivables considered good for which the company holds no security other than the debtor's personal security.	254,961,024	245,867,317
III	Receivables considered doubtful or bad.	-	-
IV	Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
V	Receivables due by companies under the same management.	-	-
VI	The maximum amount due by directors or other officers of the company at any time during the year.	-	-
	Total:	254,961,024	245,867,317

27.02 Disclosure as per Schedule XI, part I, para 6 of the Companies Act, 1994 are given below:

Sl. No.	Particulars	30-Jun-19	30-Jun-18
		Amount in Taka	
I	Advances, Deposits and Prepayments considered good and in respect of which the company is fully secured.	-	-
II	Advances, Deposits and Prepayments considered good for which the company holds no security.	100,849,456	127,118,001
III	Advances, Deposits and Prepayments considered doubtful or bad.	-	-
IV	Advances, Deposits and Prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, Deposits and Prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
V	Advance, Deposits and Prepayment due by companies under the same management.	-	-
VI	The maximum amount due by directors or other officers of the company at any time during the year.	8,756,210	11,539,500
	Total:	109,605,666	138,657,501

27.03 Disclosure of Schedule XI, Part II, Para 3, of the Companies Act, 1994 are given below:**I. a. Turnover:**

Particulars	30-Jun-19		30-Jun-18	
	Quantity (Pcs/PHs)	Amount in Taka	Quantity (Pcs/PHs)	Amount in Taka
Tablet	125,337,499	423,368,957	122,315,555	396,076,835
Capsule	35,010,175	228,112,147	32,237,361	213,407,090
Liquid	1,425,234	61,709,463	1,407,291	57,731,415
Dry Syrup	209,953	19,259,623	204,350	18,018,068
Total	161,982,861	732,450,190	156,164,557	685,233,408

- b. No Commission paid to selling agents during the year.
- c. No brokerage and discount paid on sales, other than the usual trade discount during the year.
- d. (i) Raw Materials consumed:

Particulars	30-Jun-2019		30-Jun-2018	
	R M (Kg)	Amount in Taka	R M (Kg)	Amount in Taka
Opening stock	248,514	186,725,468	237,528	177,740,281
Purchase	298,574	226,761,684	296,738	222,033,961
Raw material available for consumption	547,088	413,487,152	534,266	399,774,242
Closing stock	(248,168)	187,257,845	(248,514)	186,725,468
Raw material consumed	298,920	226,229,307	285,752	213,048,774

- (ii) Finished goods:

Classes of Goods	30-Jun-19			30-Jun-18		
	Opening Qty.	Production Qty.	Closing Qty.	Opening Qty.	Production Qty.	Closing Qty.
Tablet (Pcs.)	20,573,182	125,011,460	20,247,143	19,150,485	123,738,252	20,573,182
Capsule (Pcs.)	12,165,206	35,029,709	12,184,740	10,481,071	33,921,496	12,165,206
Liquid (PHs.)	238,951	1,403,866	217,583	248,406	1,397,836	238,951
Dry Syrup (PHs.)	43,449	205,584	39,080	42,926	204,873	43,449
Total	33,020,789	161,650,619	32,688,546	29,922,889	159,262,456	33,020,789

- II. Disclosure as per requirement of Schedule XI, Part II, Note-5 of Para 3, of the Companies Act, 1994 are given below:

Employee Position of SILVA PHARMACEUTICALS LTD. as at 30 June, 2019

Salary Range (Monthly)	Total Employee	Officer & Staff		Worker & Employee	
		Head Office	Factory	Field	Factory
Number of Employees whose salary below taka 3,000 or 5,500 p.m.	-	-	-	-	-
Number of Employees whose salary above taka 3,000 or 5,500 p.m.	1,018	75	31	718	194
Total for the year ended 30 June, 2019	1,018	75	31	718	194
For the year ended 30 June, 2018	1,082	72	32	782	196

- 27.04 Disclosure as per requirement of schedule XI, part II, Para 4 are given below:

Payment to directors within the year ending 30 June, 2019 is as follows:

	30-Jun-19	30-Jun-18
(a) Managerial Remuneration paid or payable during the financial year to the directors, including managing directors, a managing agent or manager;	1,200,000	1,200,000
(b) Expenses reimbursed to the Managing Agent;	Nil	Nil
(c) Commission or Remuneration payable separately to a managing agent or his associate;	Nil	Nil
(d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company;	Nil	Nil

	30-Jun-19	30-Jun-18
(e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.;	Nil	Nil
(f) Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable; (Board meeting fees)	310,500	232,875
(g) Other allowances and commission including guarantee commission.	Nil	Nil
(h) Pensions etc.		
(i) Pensions	Nil	Nil
(ii) Gratuities	Nil	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
(iv) Compensation for loss of office	Nil	Nil
(v) Consideration in connection with retirement from office.	Nil	Nil

27.05 Disclosure as per requirement of schedule XI, Part II, Para 7 are given below:

Name of Item	Installed Capacity	Actual Production	% of Capacity Utilization
	Million Pcs/Ph.	Million Pcs/Ph	
	30-Jun-19	30-Jun-19	30-Jun-19
Tablet	200.00	125.0115	62.51%
Capsule	55.00	35.0297	63.69%
Liquid	2.00	1.4039	70.20%
Dry Syrup	0.25	0.2056	82.24%
Total	257.25	161.6506	62.84%

Note: Capacity is calculated considering 300 days per year; 2 shifts per day and 8 hours per shifts.

27.06 Disclosure as per requirement of schedule XI, part II, Para 8 are given below:

- a) Value of imports calculated on C.I.F basis by the company during the year ended 30 June, 2019 in respect of Raw materials, Component and Spare parts and Capital Goods were as follows:

S.L	Particulars	Import		
		Unit	Quantity	Amount in BDT
i	Raw Materials	Kg/Ltr.	49,169	105,756,848
ii	Packing Materials	Pcs/Kg	81,609	29,847,878
iii	Components of Spare parts	Set	30	208,015
iv	Capital Goods	Pcs	6	18,259,165
Total			130,813	154,071,906

- b) The Company did not have any expenditure in foreign currency during the year on account of Royalty, Know-how, Professional consultancy fees, Interest and other matters.

- c) Value of all imported raw materials, spare parts and components consumed during the financial year and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption were as follows:

Particulars	Imported Value (in BDT)	Imported In percentage (%)	Indigenous Value (in BDT)	Indigenous In percentage(%)	Total
Raw Materials	104,151,546	46.24%	121,080,916	53.76%	225,232,462
Packing Materials	30,287,744	25.05%	90,618,895	74.95%	120,906,639
Components and Spare parts	190,911	1.04%	18,143,894	98.96%	18,334,805
Total	134,630,201	36.94%	229,843,705	63.06%	364,473,906

- d) No amount has been remitted during the year in foreign currencies on account of dividend with a specific mention of the number of non-residents shareholders, the number of shares held by them on which the dividends were due and the year to which the dividends, related.
- e) Earnings in foreign exchange classified under the following heads as follows:
- No export made during the year;
 - No royalty, know-how, professional and consultation fees were received;
 - No Interest and Dividend received;
 - No Other income received

28.00 Reconciliation of Net income with Cash Flows from Operating Activities

Particulars	01/07/2018 to 30/06/2019	01/07/2017 to 30/06/2018
Net Profit before Income tax	157,318,884	143,876,215
<u>Adjustment for:</u>		
Depreciation	52,340,918	52,060,634
Amortization	-	-
Finance Expense	6,336,399	2,722,500
	58,677,317	54,783,134
Decrease (increase) in Advances, deposits, Prepayments.	22,027,924	4,853,786
Decrease (increase) in Trade & Other Receivable	(9,469,106)	3,707,582
Increase (Decrease) in Accounts and Other Payable	(70,539)	150,212
Increase (Decrease) in Provision and Accruals	(1,556,132)	(1,619,421)
Decrease (increase) in Inventories	(7,688,251)	(20,226,178)
Income Tax Paid	(29,251,184)	(51,916,864)
Net Cash Generated From Operating activities (Indirect method)	189,978,913	133,608,466
Net Cash Generated From Operating activities (Direct method)	189,978,913	133,608,466

29.00 Disclosures as per IAS 24 Related Party disclosures are as follows:

The company carried out a number of transaction with related parties. The following are the related parties transactions of Silva pharmaceuticals Limited has been disclosed as required by IAS 24 Related Party Disclosures:

29.01 Disclosures as per paragraph 17 of IAS 24 are as follows:**(a) Short term employee benefits:**

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Value of goods / Services received during the year	Balance payable as on 30.06.2019
Dr. Saira Khan	Managing Director	Remuneration	1,200,000	100,000
		Board Meeting Fees	43,125	-
Mrs. Silvana Mirza	Chairman	Board Meeting Fees	43,125	-
Mrs. Samina Mirza	Director	Board Meeting Fees	43,125	-
Mrs. Samina Mirza	Director	Board Meeting Fees	34,500	-
Md. Monsur Rahman (Representative of Adarsha Fisheries & Poultry Farms Ltd.)	Director	Board Meeting Fees	43,125	-
Md. Nazrul Islam Khan (Representative of ICB)	Director	Board Meeting Fees	43,125	-
Md. Musfiqur Rahman, FCA	Independent Director	Board Meeting Fees	43,125	-
Mrs. Tanha Zarrin Ahmed	Independent Director	Board Meeting Fees	17,250	-
Mr. A. R. Hassan Mirza	Executive Director & Sponsor Shareholder	Salary & Allowances	1,800,000	300,000
		Office Rent	1,593,720	132,810
Total			4,904,220	532,810

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(b) Post-employee benefits	Nil
(c) Other long term benefits	Nil
(d) Termination benefits and	Nil
(e) Share-based payment	Nil

30.00 General:**30.01 Capital Expenditure Commitment:**

There was no capital expenditure contracted but not incurred or provided as on 30.06.2019.
There was no material capital expenditure authorized by the board but not contracted for as on 30.06.2019.

30.02 Claim not Acknowledged as Debts:

There is no claim against the company which have been acknowledged as debt as at 30 June, 2019.

30.03 Commission, Brokerage or Discount:

No commission or brokerage was incurred or paid by the company against sales during the year.

30.04 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.

Annexure-A

Silva Pharmaceuticals Limited
Schedule of Property, Plant and Equipment
As at 30 June, 2019

Particulars	Cost			Rate (%)	Depreciation		Amount in Taka	
	Balance as on 01 July, 2018	Addition during the year	Balance as on 30 June, 2019		Balance as on 01 July, 2018	Charge during the year	Balance as on 30 June, 2019	Written Down Value as at 30 June, 2019
Land & Land Development	271,775,281	49,238,598	321,013,879	0%	-	-	321,013,879	
Plant & Machinery	584,132,741	10,613,340	594,746,081	10%	312,989,151	27,262,256	340,251,407	
Generator	12,396,170	-	12,396,170	10%	8,004,557	439,161	8,443,718	
Building Decoration	34,427,691	78,604,965	113,032,656	10%	22,896,121	1,368,513	24,264,634	
Electrical Installation	4,300,101	35,171,270	39,471,371	10%	2,806,139	245,756	3,051,895	
Gas Installation	389,890	-	389,890	10%	261,483	12,841	274,324	
Office Equipment	34,543,637	6,978,901	41,522,538	10%	14,113,000	2,241,499	16,354,499	
Factory Equipment	38,324,237	12,428,688	50,752,925	10%	15,627,740	2,678,050	18,305,790	
Furniture and Fixture	35,259,396	4,115,740	39,375,136	10%	17,305,844	1,909,183	19,215,027	
Vehicle	102,148,871	12,593,160	114,742,031	20%	64,789,464	8,144,336	72,933,800	
Power House	1,195,705	-	1,195,705	10%	821,606	37,410	859,016	
Laboratory Equipment	36,427,312	15,540,805	51,968,117	10%	15,895,125	2,619,791	18,514,916	
Factory Building & Warehouse	251,646,680	169,197,679	420,844,359	2.5%	40,997,372	5,382,122	46,379,494	
Total	1,406,967,712	394,483,146	1,801,450,858		516,507,602	52,340,918	568,848,520	
30 June, 2018	1,171,185,520	235,782,192	1,406,967,712		464,446,968	52,060,634	516,507,602	

Depreciation Allocated to:

Charged during the year

Adjustment during the year

Factory Overhead

Administrative Expenses

Selling & Distribution Expense

Silva Pharmaceuticals Limited

House # 65 , Road # 8/A , Dhanmondi, Dhaka-1209

Schedule of Finished Goods & Raw Material stock as on 30-06-2019

Finished Goods

Sl. No.	Particulars	As on 30.06.2019		As on 30.06.2018	
		Qty. (Box/PHs)	Amount in Taka	Qty. (Box/PHs)	Amount in Taka
1	Factory Warehouse	57,850	7,931,831	55,250	7,574,852
2	Central Warehouse	144,750	18,826,189	159,362	20,717,060
3	Noakhali DMO	65,590	8,920,333	63,657	8,657,367
4	Rajshahi DMO	51,100	6,940,094	52,365	7,106,757
5	Rangpur DMO	48,805	6,507,540	47,754	6,365,768
6	Mumensingh DMO	41,650	5,659,217	42,850	5,821,875
7	Dhaka DMO	55,350	7,608,419	55,325	7,594,808
8	Sylhet DMO	48,920	6,616,013	48,621	6,567,939
9	Cornilla DMO	48,850	6,305,159	50,202	6,476,067
10	Barisal DMO	33,400	4,856,703	28,825	4,190,875
11	Faridpur DMO	29,960	3,637,896	26,894	3,263,458
12	Jessore DMO	30,700	4,238,808	27,961	3,860,662
13	Chittagong DMO	43,300	5,736,720	35,846	4,746,133
14	Bogra DMO	44,250	6,152,756	38,205	5,303,138
Total		744,475	99,937,678	733,117	98,246,759

Silva Pharmaceuticals Ltd.

House # 65 , Road # 8/A , Dhanmondi, Dhaka-1209

Schedule of Finished Goods & Raw Material stock as on 30-06-2019

Raw Materials

Annexure-B(2)

Sl.	Item Name	Quantity (Kg/ Pcs.)	Rate	Amount	
				30.06.2019	30.06.2018
1	Acetofenac	302.280	2,038.62	616,233	592,656
2	Ambroxol Hydrochloride BP	158.236	4,598.12	727,587	1,332,074
3	Amio	201.145	605.96	121,886	109,577
4	Amoxiciline Compacted	158.587	4,180.44	662,963	594,682
5	Amoxiciline Micronized	23.085	2,869.43	66,241	58,685
6	Aspirine	32.110	1,080.59	34,698	30,687
7	Atinolal	38.910	1,905.59	74,146	68,947
8	Azithromycin Dihydrate USP (Comp)	1,331.46	11,408.54	15,189,958	14,579,271
9	Azithromycin Dihydrate USP (Mic)	7,180.10	2,297.62	16,497,117	17,813,404
10	Aerosil-200	936.38	753.14	705,230	1,050,148
11	Accusia Gum	5,847.51	345.99	2,023,195	1,774,196
12	Acetone	20.906	238.09	4,978	3,988
13	Aspartame	3.969	2,689.27	10,674	10,114
14	Bambuterol Hydrochloride BP	28.110	41,945.75	1,179,095	3,133,728
15	Benzoiel Metronidazol	62.000	1,446.77	89,700	81,200
16	Bromexine HCL	32.240	2,712.91	87,464	82,683
17	Biz Wax	19.580	538.72	10,548	11,258
18	Biotin USP	3.021	57,503.15	173,717	165,870
19	Boron Citrate	23.551	2,826.18	66,559	60,189
20	Elmental Iron	4,500.00	1.76	7,910	7,003
21	Caffeine BP (Anhydrous)	9,720.11	1,203.02	11,693,528	8,335,076
22	Calcium Carbonate	3,558.26	48.50	172,578	180,685
23	Carvidolol INN	14.43	43,171.10	622,959	600,259
24	Cefixime Trihydrate USP (Comp)	192.48	23,435.31	4,510,804	7,676,613
25	Cefixime Trihydrate USP (Mic)	79.62	24,060.19	1,915,576	8,524,138
26	Cephadrine BP (Compacted)	1,777.72	1,086.83	1,932,082	1,235,549
27	Cephadrine BP (Micronized)	662.94	5,596.78	3,710,319	5,777,158
28	Ciprofloxacin Hydrochloride USP Pellets(20%)	13,050.41	1,894.90	24,729,221	8,841,283
29	Citriazin Di-HCL	88.790	4,364.66	387,539	351,248
30	Clonazepam	3.080	66,836.57	205,857	198,322
31	Colline Bitertrate	1,225.410	861.81	1,056,065	928,365
32	Clopidogrel B-Sulphate	128.740	6,828.43	879,092	831,259
33	Cod Liver Oil BP	1,094.940	711.60	779,156	1,097,791
34	Cjpricoxide	6.263	2,756.53	17,264	15,268
35	Compresible Sucroze	4.930	319.67	1,576	1,682
36	Curnoba Wax	9.073	1,151.60	10,449	9,913
37	Cellulose Acetate	31.860	2,970.81	94,650	88,454
38	Citric Acid Anhydrous	32.393	168.96	5,473	5,008
39	Citric Acid Mono	5.347	188.85	1,010	875
40	Calcium D Patothninate	280.376	1,480.71	415,156	384,566
41	Calcium Lactate BP	8,016.294	105.92	849,052	1,296,056
42	Cupric Sulphate	84.330	120.00	10,120	8,870
43	Kobin Tetraolride	64.934	120.00	7,792	7,024
44	Carmilios Sodium	3.013	600.00	1,808	1,584
45	Citail Alcohol	6.890	366.41	2,525	2,299
46	Cromenium	399.940	45.80	18,317	16,323
47	Ciproxime Axiltl BP	194.411	13,203.54	2,566,914	3,503,975
48	Ciproxime Axiltl BP - Coated	20.630	15,955.72	329,166	1,398,744
49	Chlorohexadin Glukunate Solution	1,586.830	258.09	409,537	388,592
50	Castrol Oil	8.200	250.00	2,050	1,650

51	Chromic Chloride	0.207	15,000.00	3,105	2,920
52	Crossprovidone	1,037.518	830.10	861,240	780,358
53	Dexa-Ibuprofen	300.100	2,950.96	885,583	2,606,146
54	DI Clofenac Sodium TR	195.510	1,073.39	209,859	198,523
55	Domperidone	99.886	4,374.12	436,913	445,987
56	Dried Ferrous Sulphate + Zinc Sulphate + Folic Acid	386.680	923.01	356,908	325,871
57	Dried Ferrous Sulphate	51.206	100.00	5,121	4,721
58	DI Sodium Hydrozen	1.480	1,197.56	1,772	1,527
59	DI Sodium Adittet	29.479	1,789.59	52,755	47,256
60	DI Basic Calcium Phosphet	29.665	400.00	11,866	9,887
61	Eszopiclone INN	2.562	217,021.52	556,009	586,956
62	Ethanol	20.910	195.92	4,097	3,568
63	Ethanol Celulose	106.651	1,793.82	191,312	152,639
64	Ethanil Dinitriilo Tetra Acitic Acid	2.722	1,957.99	5,330	4,826
65	Udrazith L-30 D-55	188.840	766.89	144,819	128,654
66	Udrazith L-100 D-55	1.545	2,000.00	3,090	2,866
67	Inocitol USP	699.620	1,115.74	780,595	682,370
68	Esmaprazol Magnasium EC	1,086.790	2,379.57	2,586,092	2,221,586
69	Montilukast Sodium BP	10.000	47,560.58	475,606	402,359
70	Ferrous Sulphate	102.440	74.04	7,585	5,245
71	Flucloxacillin Sodium BP(Comp)	497.190	4,848.38	2,410,564	3,846,880
72	Flucloxacillin Sodium (Mic)	99.240	5,046.18	500,783	455,266
73	Fluconazole Compacted	5.880	7,396.29	43,490	38,562
74	Fluvastatin Sodium INN	6.690	184,851.76	1,236,658	1,082,688
75	Folic Acid	92.642	826.72	76,589	69,248
76	Gabapentin INN	398.588	3,886.20	1,548,992	1,624,957
77	Glicazide	32.160	4,637.00	149,126	139,516
78	Glicozamin Sulphate	881.060	895.49	788,981	738,136
79	Glycerine	1,035.180	65.73	68,040	63,655
80	Ziletin Crystal	49.490	375.68	18,592	17,394
81	Hydroxi Profile Methylene Celulose	5.899	657.87	3,881	3,631
82	Ibuprofen	31.340	416.32	13,047	12,207
83	Indefamaide	40.670	12,285.09	499,635	467,436
84	Iron HCL Polymeltose	168.990	493.98	83,477	78,097
85	Industrial Methylated Spirit	35.230	112.44	3,961	3,706
86	Isoprofile Alcohol	60.537	140.00	8,475	7,929
87	Iron + Folic Acid + Vitamin B & C	311.600	1,009.52	314,565	294,293
88	Iron + Folic Acid + Zinc Sulphate + Vitamin B A	140.960	1,380.53	194,600	182,059
89	Iron + Folic Acid + Zinc Sulphate + Vitamin B	100.000	144.00	14,400	13,472
90	Ketoprofen	20.650	6,539.26	135,036	126,333
91	Ketorolac Tromethamine USP	57.364	23,530.18	1,349,786	2,290,759
92	Ketotifen Fumarate INN	12.265	94,261.74	1,156,120	2,550,001
93	Kolidon CL	1,330.340	145.83	194,001	356,867
94	Levofloxacin Hemihydrate INN	119.970	4,563.78	547,516	512,232
95	Lactolose Concentrate	650.000	178.97	116,329	108,833
96	Levosaltamol Sulphate INN	11.502	74,638.53	858,492	853,167
97	Lactose	156.900	321.78	50,487	47,233
98	Liquid Glucose	14.100	39.20	553	517
99	Lechithin	20.960	90.00	1,886	1,765
100	Luten - 5	18.465	5,711.12	105,456	98,660
101	Metformine HCL	1,334.480	339.88	453,560	358,449
102	Meizi Starch	356.925	45.98	16,413	15,142

103	Mentitol	200,226	249.99	50,054	46,179
104	Mithanol	69,830	2,091.98	146,083	134,775
105	Mithyle Pevarin Sodium	30,619	620.72	19,006	17,535
106	Mithyle Hydroxi Benzuet	65,350	541.74	35,402	32,662
107	Magnesium Sterate	2,149	161.93	348	321
108	Montilukast Sodium	7,840	47,560.58	372,875	344,010
109	Methilyne Chloride	2,061,998	66.62	137,363	126,729
110	Manganize Sulphate	90,340	884.80	79,933	73,745
111	Manganize Gluconate	421,350	600.43	252,993	233,408
112	Avicel - P.H-101	1,666,574	168.26	280,418	258,711
113	Avicel - P.H-102	109,208	20.00	2,184	2,015
114	Milkizin HCLBP	500,675	7,819.45	3,915,005	3,611,939
115	Magnesium Lactate Ph. Grade	5,707,981	295.88	1,688,867	1,361,447
116	Magnesium Oxide	158,648	150.00	23,797	23,137
117	Magnesium Gluconate	211,307	589.71	124,611	121,154
118	Naproxin HCL	113,760	2,492.20	283,512	275,647
119	Nicotinamide	258,270	700.77	180,989	175,968
120	Nitazoxanide INN	1,868,270	3,241.19	6,055,422	7,594,813
121	Non Peril Sids	256,574	650.00	166,773	162,147
122	Newtame	2,750	48,596.04	133,639	129,932
123	Nicotinic Acid	147,227	1,070.33	157,581	153,210
124	Nicol Sulphate	0,469	19,982.94	9,372	9,112
125	Omeprazole BP (8.5% E/C Pellets)	11,325.40	717.99	8,131,473	5,827,427
126	Omeprazole Magnisium	30,240	5,382.94	162,780	158,265
127	Omeprazole BP (Powder)	290,090	4,253.00	1,233,752	1,382,674
128	Paracetamol	730,680	435.73	318,380	325,698
129	Para Amino Benzoic Acid	13,773	370.01	5,096	4,955
130	Potassium Citrate	1,057,313	156.62	165,596	161,002
131	Piuglitazon HCL	59,210	7,627.77	451,640	439,111
132	Propiline Glycol	147,456	128.78	18,990	18,463
133	Propiline Glycol - 4000	61,590	651.57	40,130	39,017
134	Propiline Glycol - 6000	3,392	493.94	1,675	1,629
135	Povidone K-30 BP	2,075,816	636.20	1,320,632	1,561,504
136	Propyle Hydroxi Benzoet	25,476	997.88	25,422	24,463
137	Propyle Peravin Sodium	8,188	800.00	6,550	6,303
138	Purified Talk	13,913	180.00	2,504	2,410
139	Pyridoxine Hydrochloride BP	5,055,930	1,469.65	7,430,426	4,045,751
140	Potassium Iodide	69,581	957.15	66,599	64,086
141	Potassium Sulphate N	33,719	199.34	6,722	6,468
142	Polesobet - 80	50,011	386.38	19,323	18,594
143	Prizolitized Stach	38,179	550.00	20,998	20,206
144	Profil Galet	12,271	3,400.00	41,721	40,147
145	Pentoprazole Sodium	307,680	6,472.76	1,991,540	1,697,976
146	Pottasium Chloride	416,640	115.00	47,914	46,105
147	Renitidine HCL	311,930	870.31	271,475	261,229
148	Remipril	3,480	150,486.50	523,693	503,928
149	Riboflavine Plan	11,219	2,215.91	24,860	23,922
150	Riboflavine-5 Phosphate Sodium BP	101,170	9,468.32	957,910	906,328
151	Sulbutamol Phosphate	10,402	6,692.63	69,617	69,078
152	Selesium + (L-Silnomithin)	236,646	7,549.44	1,786,544	1,572,714
153	Satrolin HCL	39,530	10,526.89	416,128	401,907
154	Sodium Bi Carbonate	599,890	46.65	27,985	27,768
155	Sulpha Methoxazol	18,780	391.89	7,360	7,303

156	Selac	56.260	561.18	31,572	31,327
157	Sodium Laurel Sulphate	31.850	220.21	7,014	6,959
158	Sodium Saccharine	25.924	1,353.73	35,094	34,822
159	Sorbitol Solution 70%	99,073.49	43.46	4,305,386	4,172,058
160	Sucroze	43,503.56	40.77	1,773,451	2,260,946
161	Sodium Benzoet	7.551	156.97	1,185	1,165
162	Sodium Stach Glycolate	63.524	224.99	14,292	14,043
163	Sodium Kaboxi Mithyle Celulose	50.979	392.83	20,026	19,677
164	Sodium Chloride	265.253	24.25	6,434	6,321
165	Sodium Citrate	45.597	92.46	4,216	4,142
166	Sodium Selenate	5.386	16,000.00	86,176	84,673
167	Sodium Molibated	7.965	16,000.00	127,440	125,217
168	Stannous Chloride Dihydrate Ph. Gr.	0.446	16,000.00	7,136	91,236
169	Sodium Metabendet	1.355	16,000.00	21,680	19,630
170	Thaiamin HCL	55.531	1,778.82	98,780	93,105
171	Thiamine Mononitrate BP	1,737.653	1,367.17	2,375,659	2,889,907
172	Tlemonium Methyl Sulphate INN	801.085	8,436.14	6,758,065	5,895,027
173	Titenium Di Oxide	17.227	299.92	5,167	4,870
174	Ti Methoprime	104.360	1,268.06	132,335	124,733
175	Tween-80	11.266	304.83	3,434	3,237
176	Talc Powder	82.200	22.99	1,890	1,782
177	Velurten	11.850	26,955.43	319,422	301,073
178	Vitamin A(As Dry Vit. A Acetate)	370.168	6,769.93	2,506,010	2,067,364
179	Vitamin A (Ritenol PolmiTate)	7.711	4,500.00	34,700	32,706
180	Vitamin B 12	5,102.616	843.40	4,303,565	1,433,580
181	Vitamin C (Ascorbic Acid)	3,540.825	857.30	3,035,549	1,125,326
182	Vitamin C (Ascorbic Acid) Coated	396.980	730.86	290,135	273,468
183	Vitamin D-3	29.100	2,650.22	77,121	72,691
184	Vitamin E 50%	559.095	2,127.15	1,189,278	1,147,969
185	Vitamin E Acetate Liquid	465.288	2,539.64	1,181,665	901,727
186	Vitamin K	3.229	3,529.63	11,397	10,742
187	V Gum	10.838	1,800.00	19,508	18,388
188	Wincoat	35.435	2,052.54	72,732	68,554
189	Xunthan Gum	878.249	316.57	278,023	262,052
190	Zlilitol	22.360	350.00	7,826	7,376
191	Zinc Sulphate	302.155	521.08	157,448	148,404
192	Zinc Gluconate	1,519.370	345.56	525,027	465,904
193	Zinc Oxide	11.250	864.91	9,730	9,171
194	Flavor	628.416	580.04	364,504	998,860
195	Color	145.773	2,612.75	380,868	6,116,880
196	Shell	5,149,576	0.14	734,558	2,480,984
Grand Total				187,257,845	186,725,468

Annexure-C**Silva Pharmaceuticals Limited****Schedule of Accounts Receivable****As at 30 June, 2019**

Particulars	Amount in Taka	
	30-Jun-19	30-Jun-18
Barisal Region	21,342,587	19,678,543
Bogra Region	21,484,625	20,845,726
Chittagong Region	24,792,418	23,217,456
Comilla Region	23,626,354	22,781,634
Dhaka Region	20,734,862	22,316,721
Faridpur Region	13,512,856	12,745,832
Jessore Region	22,145,814	23,162,749
Mymensingh Region	19,745,872	19,351,764
Noakhali Region	26,968,598	25,342,512
Rajshahi Region	20,645,289	19,731,285
Rangpur Region	20,635,264	19,256,827
Sylhet Region	19,326,485	17,436,268
Total	254,961,024	245,867,317



SILVA PHARMACEUTICALS LIMITED

Registered Office: House # 65, Road # 8/A, Dhanmondi, Dhaka-1209.

PROXY FORM

I/We of
..... being a shareholder of Silva Pharmaceuticals Limited do hereby appoint
Mr./Mrs./Miss..... of
as
my/our proxy to attend and vote in my/our behalf at the 18th Annual General Meeting (AGM) of the company to be
held on 25th November, 2019 at 11.00 a.m. at White Hall Convention Center, House # 262/A, Road # 27 (Old),
Dhanmondi, Dhaka-1209 and at any adjournment thereof or any poll that may be taken in consequence thereof and
to vote on my/our behalf as he/she thinks appropriate on all resolutions.

As witness my / our hand this Day of November, 2019.

Affix
20 Taka
Stamp

Signature of the Shareholder

Signature of the proxy

Shareholders BOID No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of shares held:

Note:

- 1) The Proxy Form, duly filled and stamped must be deposited at the company's Registered Office not later than 72 hours before the time fixed for the meeting.
- 2) Signature of the shareholder should agree with the specimen signature registered with the company of BO Account/CDBL record.

.....
(Authorized Signature)

Silva Pharmaceuticals Limited

.....
(Signature Verified)



SILVA PHARMACEUTICALS LIMITED

Registered Office: House # 65, Road # 8/A, Dhanmondi, Dhaka-1209.

SHAREHOLDERS' ATTENDANCE SLIP

I / We do hereby record my/our attendance at the 18th Annual General Meeting (AGM) of Silva Pharmaceuticals Ltd.
To be held on 25th November, 2019 at 11.00 a.m. at White Hall Convention Center, House # 262/A, Road # 27 (Old),
Dhanmondi, Dhaka-1209.

Name of shareholder / proxy

Shareholders BOID No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

.....
(Authorized Signature)

Silva Pharmaceuticals Limited

.....
(Signature of shareholder)

Note:

- 1) Please present this attendance slip at registration desk on the AGM date.