

*Healing Minds....*

*Healing Hearts....*



19<sup>th</sup>  
**Annual Report**  
**2019-2020**

**Silva Pharmaceuticals Limited**

House # 65, Road # 8/A (New) Dhanmondi  
Dhaka-1209, Bangladesh  
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Email : info@silvapharma.com  
Web : www.silvapharma.com



[www.silvapharma.com](http://www.silvapharma.com)



In the name of Allah  
the most gracious  
the most merciful



বুক জ্বালাপোড়া ও  
গ্যাস্ট্রিক আলসার নিরাময়ে  
সবার উপরে থাকুন

**Esosil<sup>®</sup> 20**  
Esomeprazole 20 mg



FOR **24HOUR**  
COOL MOMENT

FOR **24HOUR**  
PROTECTION

**1 Capsule**  
A DAY

in

**Heartburn**

**GERD**

**Dyspepsia**

**Gastric Ulcer**

**Regurgitation**

 **Silva**  
Pharmaceuticals  
Limited



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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, 2020.**

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 19th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements, Report of the Board of Directors and Auditor's Report thereon for the year ended 30 June 2020 for your kind information and record.

Thank You.

Yours Sincerely,

**(Md. Iqbal Hossain)**  
Company Secretary

## বিজ্ঞপ্তি



## Silva Pharmaceuticals Limited

সিলভা ফার্মাসিউটিক্যালস লিমিটেড  
বাড়ি # ৬৫, রোড # ৮/এ, ধানমন্ডি, ঢাকা-১২০৯

## ১৯তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

সিলভা ফার্মাসিউটিক্যালস লিমিটেড - এর সম্মানিত শেয়ারহোল্ডারগণকে জানানো যাচ্ছে যে, আগামী ৩০ ডিসেম্বর, ২০২০, বুধবার দুপুর ১২টায় কোম্পানির ১৯তম বার্ষিক সাধারণ সভা বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ নং SEC/SRMIC/94-231/25, তারিখ: ০৮ জুলাই, ২০২০ অনুসারে ডিজিটাল (ভার্চুয়াল) প্রাটফর্মের মাধ্যমে অনুষ্ঠিত হবে। সভায় নিম্ন বর্ণিত বিষয়সমূহ আলোচনা করা হবে :

## আলোচ্যসূচি

১. ২০১৯-২০ অর্থ বছরের নিরীক্ষিত হিসাব এবং তার উপর নিরীক্ষক ও কোম্পানির পরিচালকমন্ডলীর প্রতিবেদন গ্রহণ এবং অনুমোদন;
২. বোর্ড কর্তৃক সুপারিশকৃত ২০১৯-২০ অর্থ বছরের প্রস্তাবিত লভ্যাংশ অনুমোদন;
৩. ২০২০-২১ অর্থ বছরের জন্য বিধিবদ্ধ অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ;
৪. ২০২০-২১ অর্থ বছরের জন্য কমপ্লায়েন্স অডিটর নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ;
৫. আর্টিকেলস অব এসোসিয়েশন অনুসারে পরিচালক নির্বাচন;
৬. আইপিও - এর অর্থ ব্যবহারের সময় বর্ধিতকরণের জন্য অনুমোদন।

কোম্পানির সম্মানিত শেয়ারহোল্ডারগণকে উক্ত সভায় ব্থাসময়ে অংশগ্রহণ করার জন্য অনুরোধ করা যাচ্ছে।

বোর্ডের আদেশক্রমে



(মোঃ ইকবাল হোসেন)

কোম্পানি সেক্রেটারী

তারিখঃ ২৯ নভেম্বর, ২০২০

টীকাঃ

১. রেকর্ড ডেট (০১ ডিসেম্বর, ২০২০, মঙ্গলবার) এ কোম্পানির শেয়ার রেজিস্টার অথবা ডিপোজিটরি রেজিস্টারে (CDBL) যে সকল শেয়ারহোল্ডারগণের নাম রেকর্ডভুক্ত থাকবে তারাই কেবল বার্ষিক সাধারণ সভায় অংশগ্রহণ, ভোট প্রদান এবং লভ্যাংশ পাবার যোগ্য বলে বিবেচিত হবেন;
২. সভায় অংশগ্রহণ ও ভোট প্রদানে উপযুক্ত কোন সদস্য/সদস্যা তার পক্ষে অন্য কোন ব্যক্তিকে সভায় অংশগ্রহণ ও ভোটদানের জন্য প্রত্নি নিয়োগ করতে পারবেন। সভা অনুষ্ঠানের নির্ধারিত সময়ের অন্তত পক্ষে ৭২ ঘণ্টা পূর্বে প্রত্নি ফর্ম ২০.০০ টাকার রেজেনিউ স্ট্যাম্প সহকারে ষথাযথভাবে পূরণ করে কোম্পানির রেজিস্টার্ড অফিসে ই-মেইল [share@silvapharma.com](mailto:share@silvapharma.com) এর মাধ্যমে জমা দিতে হবে;
৩. বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ নং BSEC/CMRRCD/2006-158/208/Admin/81, তারিখ ২০ জুলাই, ২০১৮ অনুসারে বার্ষিক প্রতিবেদন ২০১৯-২০ এর সফট কপি কোম্পানিতে সংরক্ষিত স্ব-স্ব শেয়ারহোল্ডারগণের ই-মেইলের মাধ্যমে প্রেরণ করা হবে এবং কোম্পানির ওয়েবসাইটেও ([www.silvapharma.com](http://www.silvapharma.com)) পাওয়া যাবে;
৪. শেয়ারহোল্ডারগণ বার্ষিক সাধারণ সভা শুরু ২৪ ঘণ্টা পূর্ব থেকে এবং এজিএম চলাকালীন সময়ে ভার্চুয়াল লিংক/ই-মেইল [share@silvapharma.com](mailto:share@silvapharma.com) এর মাধ্যমে প্রত্ন ও মন্তব্য করতে পারবেন। শেয়ারহোল্ডারগণ ১৬ সংখ্যার বিও আইডি/ফিলিও নম্বর সহ সংশ্লিষ্ট পরিচয় নির্দেশক তথ্য নিশ্চিত করে লিংক: <http://silvaphlagm2020.digitalagmbd.net> এ লগইন করতে পারবেন;
৫. ৩০ ডিসেম্বর, ২০২০, বুধবার দুপুর ১২টায় মিটিং শুরু পূর্বেই শেয়ারহোল্ডারগণকে সিস্টেমে লগইন করার অনুরোধ করা যাচ্ছে। উল্লেখ্য, সকল ১১৪৪৫টায় সরাসরি সম্প্রচার কার্যক্রম শুরু হবে। ভার্চুয়াল সভায় যুক্ত হতে প্রয়োজনে ০১৮১২৭৮১৩৯০ নাম্বারে যোগাযোগ করুন;
৬. সদস্যদেরকে তাদের নিজস্ব ডিপোজিটরি পারটসিপেন্ট (ডিপি) এর মাধ্যমে ১২ ডিজিট ই-টিআইএন, ব্যাংক অ্যাকাউন্ট, মেইলিং ঠিকানা এবং যোগাযোগ নম্বর দিয়ে তাদের নিজস্ব বিও অ্যাকাউন্ট আপডেট করার জন্য অনুরোধ করা হচ্ছে। যদি কেউ রেকর্ডের তারিখের পূর্বে ১২ অক্টোবর ই-টিআইএন নম্বর সহ তার বিও অ্যাকাউন্ট আপডেট করতে ব্যর্থ হয়, তাহলে অগ্রিম আয়কর ১৫% হারে (১০% এর পরিবর্তে) নগদ লভ্যাংশ থেকে কেটে নেওয়া হবে;
৭. সংশ্লিষ্ট ব্রোকারেজ হাউস/ডিপিদেরকে রেকর্ড ডেট অনুসারে তাদের মার্জিন ঋণধরীদের বিশদ বিবরণ (শেয়ারহোল্ডারদের নাম, বিও আইডি নম্বর, ক্লায়েন্ট-ভিত্তিক শেয়ারহোল্ডিং অবস্থান, গ্রাস লভ্যাংশ প্রাপ্তি, প্রযোজ্য করের হার এবং নেট লভ্যাংশ প্রাপ্তি) যোগাযোগকারী ব্যক্তির নাম সহ ১৭ই ডিসেম্বর, ২০২০ তারিখের পূর্বে কোম্পানির শেয়ার অফিসে প্রদান করার জন্য অনুরোধ করা হচ্ছে। মার্চেন্ট ব্যাংক এবং ডিপোজিটরি পারটসিপেন্টকে (ডিপি) তাদের ব্যাংকের নাম, অ্যাকাউন্ট নম্বর এবং রাউটিং নম্বর ইত্যাদি আমাদের শিফট প্রদান করার জন্য অনুরোধ করা যাচ্ছে;
৮. অনুমোদিত superannuation তহবিল বা পেনশন তহবিল বা প্র্যাচুয়িটি তহবিল বা স্বীকৃত প্রভিডেন্ট তহবিল বা শ্রমিকদের অংশগ্রহণের তহবিলের জন্য সংশ্লিষ্ট trusty বোর্ডকে ১৭ ডিসেম্বর, ২০২০ তারিখের পূর্বে আপডেট ট্যাক্স রিভেট সার্টিফিকেট প্রদান করার জন্য অনুরোধ করা হচ্ছে।

বিঃদ্রঃ বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিজ্ঞপ্তি নং SEC/CMRRCD/2009-193/158, তারিখ ২৪ অক্টোবর, ২০১৩ এবং স্টক এক্সচেঞ্জের লিস্টিং রুলস মোতাবেক ১৯তম বার্ষিক সাধারণ সভায় কোন ধরনের উপহার/উপহার কুপন/খাদ্য বক্স বিতরণ করা হবে না।



## Notice



### Silva Pharmaceuticals Limited

সিলভা ফার্মাসিউটিক্যালস্ লিমিটেড  
বাড়ি # ৬৫, রোড # ৮/এ, ধানমন্ডি, ঢাকা-১২০৯

### Notice of the 19<sup>th</sup> Annual General Meeting

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting (AGM) of the shareholders of the Silva Pharmaceuticals Limited will be held on **Wednesday, 30 December, 2020 at 12.00 Noon** through **Digital (Virtual) Platform** pursuant to the BSEC's Order No. SEC/SRMIC/94-231/25 dated July 08, 2020 to transact the following business:

#### AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30 June, 2020 together with the Auditors' Report and Directors' Report thereon;
2. To approve proposed dividend for the financial year ended 30 June, 2020 as recommended by the Board;
3. To appoint Statutory Auditors' for the financial year 2020-2021 and to fix-up their remuneration;
4. To appoint Compliance Auditors for the financial year 2020-2021 and to fix-up their remuneration;
5. To elect/re-elect Directors' in terms of the relevant provision of the Articles of Association;
6. To approve the time extension for utilization of IPO Proceeds.

By Order of the Board,

(Md. Iqbal Hossain)  
Company Secretary

Dated: 29 November, 2020

#### Notes:


- i. The Shareholders, whose names will appear in the Share Register of the Company or Depository Register (CDBL) on the "Record Date" i.e. **Tuesday, 01 December 2020** respectively are eligible to attend/participate and vote in the Annual General Meeting (AGM) and entitled to the dividend.
- ii. A Members entitled to attend and vote in the Annual General Meeting, may appoint a proxy to attend and vote on his/her stead. The proxy Form must be affixed with requisite revenue stamp of Tk. 20.00 and be sent through email to Silva Pharma Registered Office at [share@silvapharma.com](mailto:share@silvapharma.com) at least 72 hours before the schedule time of the meeting.
- iii. Pursuant to the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 soft copy of the Annual Report 2019-2020 will also be available in the company's website at [www.silvapharma.com](http://www.silvapharma.com) and soft copy is sent to shareholder's email address as available in their BO Account.
- iv. The Members will be able to submit their questions/comments through virtual link/e-mail [share@silvapharma.com](mailto:share@silvapharma.com) 24 hours before commencement of the AGM and during the AGM. For logging into the system, the members need to put their 16-digit Beneficiary Owner (BO) ID/Folio number and other credentials as proof of their identity by visiting the link <http://silvaphlagm2020.digitalagmbd.net>
- v. Shareholders are requested to login to the system prior to starting of the meeting at 12.00 Noon on Wednesday, 30 December 2020. The webcast will start at 11.45 AM. Please contact at ০১৮১২৭৮১৩৯০ for any queries in accessing the virtual meeting.
- vi. The 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.
- vii. The concerned Brokerage Houses/DP's 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 17 December, 2020. The Merchant Banks and Depository Participants (DP) are also requested to provide us with their Bank Names, Account Numbers and Routing Numbers etc.
- 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 17 December, 2020.

**N.B.:** In compliance with the 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 ensuing 19<sup>th</sup> Annual General Meeting.





## Corporate Directory

|   |   |
|---|---|
| Name of the Company                             | : Silva Pharmaceuticals Limited (SILVAPHL)  |
| Logo  | :  <b>Silva Pharmaceuticals Limited</b><br>সিলভা 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 Commercial Operations           | : 1 <sup>st</sup> July, 2003  |
| Subscription Opened on IPO                      | : 29 July, 2018   |
| Subscription Closed                             | : 05 August, 2018   |
| Listed in DSE & CSE                             | : DSE: 23 September, 2018 and CSE: 16 September, 2018   |
| Trading started on DSE & CSE                    | : 10 October, 2018  |
| Registered as Depository Participant of CDBL    | : 24 September, 2018  |
| Market Category                                 | : "A"   |
| Electronic Shares                               | : Yes   |
| Face Value                                      | : Tk. 10.00   |
| Authorized Capital                              | : Tk. 1,500,000,000 divided into 150,000,000 Ordinary Share of Tk. 10.00 each.  |
| Paid up Capital                                 | : Tk. 1,365,000,000 divided into 136,500,000 Ordinary Share of Tk. 10.00 each   |
| Obtained Certification of Membership from BAPLC | : 27 October, 2019  |
| Registered, Corporate & Share Office            | : House # 65 (Ground Floor), Road # 8/A (New), Dhanmondi, Dhaka-1209.<br>Tel: 880-2-55000692; +880-2-8191336<br>Fax: +880-2-55000693<br>Email: <a href="mailto:share@silvapharma.com">share@silvapharma.com</a> ;<br>Web: <a href="http://www.silvapharma.com">www.silvapharma.com</a>                                      |
| Factory   | : Silva Pharmaceuticals Limited, 137, Joykrishnarampur, Main Road, Maijdee Court, Noakhali.<br>Tel: +880-32-63301   |
| Board of Directors                              | : 8 (Eight) Directors.  |
| Auditors'                                       | : Mahfel Huq & Co., Chartered Accountants<br>34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000.<br>Tel: +880-2-9553143; Fax: +880-2-9571005<br>E-mail: <a href="mailto:mahfelcofca@yahoo.com">mahfelcofca@yahoo.com</a><br>web: <a href="http://www.mahfelhuq.com">www.mahfelhuq.com</a>                                |
| Compliance Auditors'                            | : S.R. Islam & Co., Chartered Accountants<br>38, Purana Paltan, Suite# 301-302 & 305, Dhaka.<br>Tel: +880-2-57160573<br>E-mail: <a href="mailto:srislamnco@gmail.com">srislamnco@gmail.com</a><br>web: <a href="http://www.srislam.com">www.srislam.com</a>   |





## 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. Md. Nazrul Islam (Nominated by ICB)                                | : Director             |
| Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.) | : Director             |
| Mr. Md. Musfiqur Rahman, FCA   | : Independent Director |
| Mr. Mohammad Moniruzzaman, FCA   | : 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):

|  |                    |
|--|--------------------|
| Mr. Mohammad Moniruzzaman, FCA, Independent Director                             | : Chairman         |
| Mrs. Farhana Mirza, Director   | : Member           |
| Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.), Director | : 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. Md. Tipu Sultan.        | : Head of Sales                         |
| Mr. Bourhan Uddin           | : Production Manager                    |
| Mr. Khurshid Ahmed Siddique | : Head of Internal Audit and Compliance |
| 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.  
Sonali Bank Limited.

#### (f) Insurers:

Agrani Insurance Co. Ltd.



## Board of Directors



**Mrs. Silvana Mirza**  
Chairman

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

Currently she is the chairman of the Company.



**Dr. Saira Khan**

Director & Managing Director

Dr. Saira Khan was born at Dhaka in Bangladesh in the year 1981. She is a daughter of Lt. Gen. (Retd.) M. Nooruddin Khan ex. Army Chief. She is a medical graduate from the Armed Forces Medical College, Dhaka with an MBBS in 2004, She has completed Diploma in Child health (DCH) in July, 2009 and FCPS (Paediatrics) in July, 2016. She began her career as Honorary Medical Officer with Shaheed Suhrawardy Hospital in the year 2006. In the year 2010 she joined BIRDEM General Hospital as Medical Officer, then she joined Dhaka Ahsania Mission as Specialist physician (Paediatrics) in the year 2013 and she joined Marks Medical College and Hospital as Assistant Professor (Paediatrics) in the year 2016.

She is connected with this company since 2012. Now, she is the Managing Director and Director of the Company.

**Mrs. Samina Mirza**

Director

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

She was connected with this company from the inception. Now she is the Director of the Company.



**Mrs. Farhana Mirza**

Director

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

She was connected with this company in the inception of the company. Now she is the Director of the Company.

**Mr. Monsur Rahman**

Director (Nominee Director of Adarsha fisheries & Poultry Farm Ltd.)

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

He was connected with this company in the year 2012. Now he is the nominee Director of the Company.



**Mr. Nazrul Islam,**

Director [Nominee Director of Investment Corporation of Bangladesh (ICB)]

Mr. Nazrul Islam was born at Brahmanbaria in Bangladesh in the year 1961. He is an M. A. (Economics) from Chittagong University. He is a General Manager of the Investment Corporation of Bangladesh (ICB) and he was nominated by ICB as director for the company where he joined in 1987. He is doing his job nicely with adding value by creative and innovative ideas.

He was connected with this company in the year 2020. Now he is the Nominee Director of the Company.



### **Md. Musfiqur Rahman FCA**

Independent Director

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

He was connected with this company in the year 2017. Now he is the Independent Director of the Company.



**Muhammad Moniruzzaman FCA**

Independent Director

Mr. Muhammad Moniruzzaman, was born in an illustrious family in Faridpur in the year 1976. He completed his Graduation under National University from Dhaka College and qualified as Chartered Accountant in June 2012 from Institute of Chartered Accountants of Bangladesh (ICAB). He is expert in the field of Accounting, Auditing, Secretarial Practice, Income Tax and other financial and management consultancy. Formerly he was an Independent Director of Sandhani Life Insurance Company Limited from 2012 to 2016. He is a social worker as well.

He was connected with this company in the year 2020. Now he is the Independent Director of the Company.



## চেয়ারম্যানের বিবৃতি

বিসমিল্লাহির রাহমানহির রাহিম

শ্রদ্ধেয় শেয়ারহোল্ডার, সহকর্মী, বিশিষ্ট অতিথি, ভাই এবং বোনেরা,

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ

কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবাইকে ১৯তম বার্ষিক সাধারণ সভায় অনন্দের সহিত স্বাগত জানাচ্ছি এবং ৩০ জুন, ২০২০ সমাপ্ত অর্থ বছরের আর্থিক বিবরণী ও প্রতিবেদনসমূহ আপনাদের সদয় বিবেচনা ও অনুমোদনের জন্য পেশ করা হলো।

সিলভা ফার্মাসিউটিক্যালস লিমিটেড ২০১৯-২০২০ সালে আরও একটি সফল বছর পার করেছে। আমরা বিশ্বাস করি যে, আমাদের প্রচেষ্টা এবং টিম ওয়ার্ক কোম্পানিকে প্রতিযোগিতামূলক শিল্প পরিস্থিতিতে তার লাভজনকতা বজায় রাখতে সক্ষম করেছে।

কোম্পানির নেট টার্নওভার আগের বছরের তুলনায় ০৪.২২% বেড়ে ৭৬৩.৩৪ মিলিয়ন টাকা হয়েছে। সর্বোত্তম ক্ষমতার ব্যবহার, উচ্চ মুনাফায়ুক্ত আরও পরিশীলিত নতুন পণ্য উৎপাদন ও উপযুক্ত পরিচালনা নীতিমালার কারণে সামগ্রিক উৎপাদন ব্যয় হ্রাস করায় এই বৃদ্ধি সম্ভব হয়েছে। তদুপরি, কয়েক বছর ধরে উৎপাদন বৃদ্ধি পেয়েছে, যা স্থির উৎপাদন খরচ কমিয়ে আনার মূল কারণ। কর পরবর্তী নিট মুনাফা হয়েছে ১১৮.৯৪ মিলিয়ন টাকা যা আগের বছরের তুলনায় ১৭.০১% কম। ডেফার্ড ট্যাক্সের সুবিধা পাওয়ার কারণে পূর্ববর্তী বছরে কর পরবর্তী মুনাফা বেশি ছিলো বিধায় এই হ্রাস ঘটে। উপরোক্ত পারফরম্যান্স এবং ব্যবসায়ের ফলাফলের ভিত্তিতে বোর্ড ২০১৯-২০২০ অর্থ বছরের জন্য সমস্ত শেয়ারহোল্ডারদের [আইসিবি ব্যতীত অন্যান্য স্পনসর এবং পরিচালকদের বাদ দিয়ে] ০৫.০০% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছে।

আমি আপনাদেরকে নিশ্চয়তা দিতে চাই যে, শেয়ারহোল্ডারদের ইকুইটি বাড়তে আমাদের কঠোর প্রচেষ্টা আগের মতো অব্যাহত থাকবে। আমাদের উত্তম পরিচালনা এবং দক্ষ শ্রম কোম্পানির প্রধান চালিকা শক্তি। আমরা দৃঢ়ভাবে বিশ্বাস করি যে, আরও ভালো মার্কেটিং পলিসির মাধ্যমে কোম্পানির আর্থিক অবস্থা এবং বাজারের স্থিতিশীলতা ভবিষ্যতে বৃদ্ধি পাবে।

এই সাফল্য বয়ে আনার জন্য কোম্পানির সর্বস্তরের কর্মীদের নিবেদিত প্রতিশ্রুতি ও দক্ষতার ছাপ স্পষ্ট দেখতে পাচ্ছি এবং ব্যবস্থাপনা কর্তৃপক্ষের অবদানের কথা স্বীকার করছি। তাদের এই প্রচেষ্টার কারণে কোম্পানির পারফরমেন্স দুর্দান্ত ও শক্তিশালীভাবে ব্যবসাকে সামনের দিকে এগিয়ে নিয়ে যাচ্ছে। আমরা যে সাফল্য অর্জন করেছি তা কেবলমাত্র সংশ্লিষ্ট সকলের সম্মিলিত প্রচেষ্টার কারণেই সম্ভব হয়েছে। আমি আন্তরিকভাবে কোম্পানিতে তাদের অবদানকে স্বীকার করছি।

আমরা আমাদের মূল্যবান গ্রাহক, শুভাকাঙ্ক্ষী, পেশাদারী স্বাস্থ্যসেবক, ব্যাংকার, যোগনদাতা, বাংলাদেশ সিকিউরিটিজ অ্যান্ড একচেঞ্জ কমিশন (বিএসইসি), ঢাকা স্টক একচেঞ্জ, চট্টগ্রাম স্টক একচেঞ্জ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিঃ, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস (আরজেএসসি), জাতীয় রাজস্ব বোর্ড, বীমা সংস্থা এবং সমাজের সকলের নিকট কৃতজ্ঞ যারা এই কোম্পানিকে আপন হিসাবে বিবেচনা করেছেন।

সকলের শান্তিপূর্ণ সমৃদ্ধি ও সুস্বাস্থ্য কামনা করছি। মহান সর্বশক্তিমান আমাদের সকলের মঙ্গল করুন।

*Birza.*

সিলভানা মির্জা

চেয়ারম্যান





## Chairman's Statement

Bismillahir Rahmanir Rahim

Respected Shareholders, Colleagues, Distinguished guests, Ladies and Gentlemen,  
Assalamu Alaikum Wa Rahmatullah,

It is a great honour and privilege to welcome you on behalf of the Board of the Directors to the 19th Annual General Meeting of the Silva Pharmaceuticals Limited and submits before you the Annual Report containing audited financial statements and reports for the year ended 30 June, 2020 for your consideration and approval.

Silva Pharmaceuticals Limited has passed another successful year 2019-2020. 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. 763.34 million up by 04.22% from the previous year. This increase has been possible due to utilization of optimum capacity, 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 over the years, which is the main cause for keeping the fixed manufacturing cost at the minimum level. The Net Profit after Tax has to Tk. 118.94 million which 17.01% lower than the previous year. The decrease occurs due to a deferred tax benefit incurred in the previous year. Based on the above performance and business results the board has recommended 05.00% Cash dividend for all shareholders [excluding sponsors and directors, except ICB] for the year 2019-2020.

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 the 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.

I sincerely show my immense impression for the dedication commitment and skills of the employees of all level and gratitude as acknowledgement for the contribution made by the management to bring this success. It is their efforts that drive the business forward, delivering excellent performance and strong growth across our business. The success we have achieved is only possible because of the collective effects of all concerned. I thankfully acknowledge their contribution to the company.

We are grateful to our valued customers, well-wishers, healthcare professionals, bankers, suppliers, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock exchange, Chittagong Stock Exchange, Central Depository Bangladesh Ltd., Registrar of Joint Stock Companies and Firms (RJSC), National Board of Revenue, Insurers, and the Society at large who consider the company as their own.

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



## পরিচালকমন্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানহির রাহিম

সম্মানিত শেয়ারহোল্ডারগণ,

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ।

কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবাইকে ১৯তম বার্ষিক সাধারণ সভায় আন্তরিক শুভেচ্ছা ও স্বাগত জানাচ্ছি। ৩০ জুন, ২০২০ সমাপ্ত অর্থ বছরের উপর পরিচালকমন্ডলীর প্রতিবেদন এবং নিরীক্ষক কর্তৃক নিরীক্ষিত আর্থিক বিবরণী সমূহ আপনাদের মূল্যবান দিক নির্দেশনা, মতামত ও সদয় বিবেচনার জন্য পেশ করা হলো। আলোচ্য সময়ে কোম্পানির ব্যবসায়িক সাফল্যের জন্য মহান রাব্বুল আলামীনের দরবারে শুকরিয়া আদায় করছি।

এই প্রতিবেদনটি কোম্পানি আইন ১৯৯৪ এর ধারা ১৮৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং - BSEC/CMRRCD/2006-158/207/Admin/80, তারিখ ০৩ জুন, ২০১৮ এর শর্তানুসারে প্রস্তুত করা হয়েছে।

### পটভূমি

সিলভা ফার্মাসিউটিক্যালস লিমিটেড ২০০১ সালের ২৪ এপ্রিল কোম্পানি আইন, ১৯৯৪ অনুসারে রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানির রেজিস্ট্রেশন নং - CH-42959(2318)/2001 এর মাধ্যমে নিবন্ধিত হয়। ২২ এপ্রিল, ২০১৪ সালে প্রতিষ্ঠানটি ১৯৯৪ সালের কোম্পানি আইন অনুসারে পাবলিক লিমিটেড কোম্পানি হিসেবে নিবন্ধিত হয়। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) কর্তৃক ২৮ জুন, ২০১৮ তারিখে সম্মতিপত্র (রেফারেন্স নং - BSEC/CI/IPO-269/2017/429) গ্রহণের মধ্য দিয়ে ইনিশিয়াল পাবলিক অফারিং (আইপিও) এর মাধ্যমে ৩০.০০ (ত্রিশ) কোটি টাকার শেয়ার মূলধন সংগ্রহ করে এবং ২৩ সেপ্টেম্বর, ২০১৮ তারিখে ঢাকা স্টক এক্সচেঞ্জ লিমিটেড (ডিএসই) ও ১৬ সেপ্টেম্বর, ২০১৮ তারিখে চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেডে (সিএসই) তালিকাভুক্ত হয়। ১০ অক্টোবর, ২০১৮ থেকে উভয় স্টক এক্সচেঞ্জে কোম্পানি লেনদেন শুরু করে

### মূল কার্যক্রম

কোম্পানির মূল কার্যক্রম হচ্ছে সর্বোচ্চ মানসম্পন্ন ঔষধ উৎপাদন করে বাংলাদেশ ও বহির্বিশ্বে বাজারজাতকরণের মাধ্যমে আন্তর্জাতিক মানের স্বাস্থ্যসেবা প্রদানের লক্ষ্যে মানব কল্যাণে ছমিকা রাখা।

### শিল্প সম্ভাবনা

আলোচ্য অর্থ বছরে সিলভা ফার্মাসিউটিক্যালস লিঃ সর্বক্ষেত্রে তথা উৎপাদনশীলতা ও ব্যবসা পরিচালনায় উত্তম নীতি সংরক্ষণ ও উন্নয়নকে অগ্রাধিকার দেয়ার প্রত্যয়ে অবিচল থাকার চেষ্টা অব্যাহত রেখেছে। আলহামদুলিল্লাহ।

একটি প্রতিযোগিতামূলক ব্যবসায়িক পরিবেশে কোম্পানি প্রতিযোগিতামূলক দরে সর্বোচ্চ গুণগত মানসম্পন্ন পণ্য দিয়ে ভোক্তা সাধারণের পাশে থাকতে সক্ষম হয়েছে। কোম্পানি উন্নত প্রযুক্তির উপর নির্ভর করে ভবিষ্যৎ চ্যালেঞ্জ মোকাবিলা করার লক্ষ্যে চাহিদামাফিক পণ্য পরিবেশনার মাধ্যমে ব্যবসা সম্প্রসারণের উপর গুরুত্ব আরোপ করে থাকে।

### বাংলাদেশ ফার্মাসিউটিক্যাল মার্কেট

ফার্মাসিউটিক্যাল শিল্প বাংলাদেশের একটি গুরুত্বপূর্ণ খাত। যা বর্তমানে দেশের অর্থনীতিতে উল্লেখযোগ্য অবদান রাখছে। ২০১৯-২০ অর্থ বছরে বাংলাদেশ ফার্মাসিউটিক্যাল মার্কেট এর প্রবৃদ্ধি হয়েছে ৪.৩০%। এ সময়ে সিলভা ফার্মাসিউটিক্যালস লিঃ ৪.২২% প্রবৃদ্ধি অর্জন করেছে।

### ব্যবসায়িক পর্যালোচনা

আলোচ্য অর্থবছরে কোম্পানিকে জাতীয় ও আন্তর্জাতিক বাজারে COVID-19 এর তীব্র প্রতিযোগিতা ও দুর্দশার পরেও, পরিচালনা পর্ষদ কর্তৃক দূরদর্শী পদক্ষেপ এবং সঠিক বিনিয়োগ পদ্ধতি নিশ্চিতকরণের মাধ্যমে কার্যকরভাবে অর্থ পরিচালনার জন্য সময়োপযোগী ব্যবস্থা গ্রহণের কারণে আমরা সামগ্রিক গতিশীল প্রবৃদ্ধির ধারা বজায় রাখতে সক্ষম হয়েছি।

ফলে মানসম্মত ঔষধ উৎপাদন, মান নিয়ন্ত্রণ, যুগোপযোগী বিতরণ প্রক্রিয়া, সময়োপযোগী বিকল্প কর্মকৌশল প্রয়োগ করে রোগী ও ভোক্তাগণের কাছে ঔষধ পৌঁছানো পর্যন্ত অর্থবহ ছমিকা রাখা সম্ভব হয়েছে।



## আর্থিক ফলাফল

০১ জুলাই ২০১৯ থেকে ৩০ জুন ২০২০ অর্থ বছরের আর্থিক ফলাফলের সার সংক্ষেপ নিম্নরূপঃ

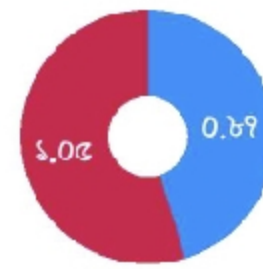
| বিবরণ                            | টাকায়                        |                               |
|----------------------------------|-------------------------------|-------------------------------|
|                                  | ০১/০৭/২০১৯ থেকে<br>৩০/০৬/২০২০ | ০১/০৭/২০১৮ থেকে<br>৩০/০৬/২০১৯ |
| বিক্রয়                          | ৭৬৩,৩৩৫,৪০৬                   | ৭৩২,৪৫০,১৯০                   |
| কস্ট অব গুডস সোল্ড               | (৪৬৪,৫২৫,৫৬৮)                 | (৪৪০,৫০১,০৩৯)                 |
| গ্রস প্রফিট/(লস)                 | ২৯৮,৮০৯,৮৩৮                   | ২৯১,৯৪৯,১৫১                   |
| পরিচালনা ব্যয়                   | (১৫১,৪৫৭,১৩৮)                 | (১৪১,৬৯৭,৪৪২)                 |
| পরিচালনা আয়                     | ১৪৭,৩৫২,৭০০                   | ১৫০,২৫১,৭০৯                   |
| করপূর্ব মুনাফা/(ক্ষতি)           | ১৫৯,০৮৭,২৪৮                   | ১৫৭,৩১৮,৮৮৪                   |
| আয়কর                            | (৪০,১৪৪,৩১৭)                  | (১৩,৯৯৫,৪৬৮)                  |
| কর পরবর্তী মুনাফা/(ক্ষতি)        | ১১৮,৯৪২,৯৩১                   | ১৪৩,৩২৩,৪১৬                   |
| শেয়ার প্রতি আয়                 | ০.৮৭                          | ১.০৫                          |
| রিটেইন্ড আর্নিংস                 | ৮৩৩,১০৯,৮৭৭                   | ৮৩৩,৪৪২,৯৪৬                   |
| নেট সম্পদ মূল্য                  | ২,১৯৮,১০৯,৮৭৭                 | ২,১৩৩,৪৪২,৯৪৬                 |
| শেয়ার প্রতি নেট সম্পদ মূল্য     | ১৬.১০                         | ১৫.৬৩                         |
| শেয়ার প্রতি নেট চলতি নগদ প্রবাহ | ১.১০                          | ১.৩৯                          |

শেয়ার প্রতি চলতি নগদ প্রবাহ



■ ২০১৯-২০ ■ ২০১৮-১৯

শেয়ার প্রতি আয়



■ ২০১৯-২০ ■ ২০১৮-১৯

## 'কর্পোরেট গভর্নেন্স কোড' প্রতিপালন

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স অডিটর কোম্পানির কমপ্লায়েন্স স্ট্যাটাস মূল্যায়ন করে সন্তোষজনক প্রতিবেদন পেশ করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ইস্যুকৃত 'কর্পোরেট গভর্নেন্স কোড' (নোটিফিকেশন নং BSEC/CMRRC/2006-158/207/Admin/80, তারিখঃ ০৩ জুন, ২০১৮) প্রতিপালনের মাধ্যমে সিলভা ফার্মাসিউটিক্যালস লিঃ এর কার্যক্রম পরিচালনায় কোম্পানি অঙ্গীকারবদ্ধ। আলোচ্য অর্থ বছরে কোম্পানির জন্য প্রযোজ্য 'কর্পোরেট গভর্নেন্স কোড' যথাযথভাবে অনুসরণ করা হয়েছে। কমপ্লায়েন্স অডিটর কর্তৃক নিরীক্ষিত রিপোর্ট বার্ষিক প্রতিবেদনের ৫৯-৬৮ পৃষ্ঠায় Annexure- B এবং Annexure- C তে সন্নিবেশিত করা হয়েছে।

## শ্রম আইনের প্রতিপালন

শ্রমবান্ধব পরিবেশ বজায় রাখার লক্ষ্যে কোম্পানি বাংলাদেশ শ্রম আইন, ২০০৬ (সংশোধিত শ্রম আইন, ২০১৮) ও শ্রম বিধি যথাযথভাবে প্রতিপালন করেছে। বাংলাদেশ শ্রম বিধিমালা, ২০১৫ এর আলোকে যথাক্রমে অংশগ্রহণকারী কমিটি, সেইফটি কমিটি ও ক্যান্টিন ব্যবস্থাপনা কমিটি গঠিত হয়েছে। তাছাড়া গঠন করা হয়েছে যৌন নিপীড়ন বিরোধী কমিটি। কমিটিগুলো বিধিবদ্ধ প্রক্রিয়ায় শ্রমিক-কর্মচারীদের স্বার্থে কাজ করে যাচ্ছে।



### দূষণমুক্ত পরিবেশ

সিলভা ফার্মাসিউটিক্যালস লিঃ পরিবেশ আইনের প্রতি শ্রদ্ধাশীল এবং এ লক্ষ্যে সংশ্লিষ্ট সকল কার্যক্রম গ্রহণ করেছে। ক্রমবর্ধমান মানবসৃষ্ট দূষণ ও বিপর্যয়ের কারণে সৃষ্ট পরিবেশ ও জনস্বাস্থ্য ঝুঁকিমুক্ত রাখা এবং উৎপাদনকালীন অভ্যন্তরীণ দূষণ ও বর্জ্য নিঃসরণে রাষ্ট্রীয় সংস্থা পরিবেশ অধিদপ্তর ও ঔষধ প্রশাসন অধিদপ্তরের বিধিমালা অনুসরণ করে ETP ও অন্যান্য নিরাপত্তা কার্যক্রম পরিচালনা করে যাচ্ছে।

### পরিচালনা পর্ষদ

পরিচালনা পর্ষদ কোম্পানির সর্বোচ্চ প্রশাসনিক ক্ষেত্র এবং সকল শেয়ারহোল্ডার এবং স্টেকহোল্ডার দ্বারা নির্বাচিত পরিচালক যারা তাদের স্বার্থ উপস্থাপন করেন। কোম্পানির পর্ষদে ৮ (আট) জন পরিচালক রয়েছে, যাদের মধ্যে ৪ (চার) জন শেয়ারহোল্ডার পরিচালক, ২ (দুই) জন মনোনীত পরিচালক এবং ২ (দুই) জন ইনডিপেন্ডেন্ট পরিচালক রয়েছেন। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) রেফারেন্স নং BSEC/CMRRCD/2006-158/207/Admin/80; তারিখ ৩ জুন, ২০১৮ এর কর্পোরেট গভর্নেন্স কোডের বিধান অনুসারে ইনডিপেন্ডেন্ট পরিচালক নিয়োগ দেয়া হয়। পর্ষদের অপরিহার্য ভূমিকা হল কোম্পানির কৌশল অনুমোদন করা এবং নীতিগত পর্যবেক্ষণ করা।

### IAS, IFRS সহ অন্যান্য আরোপযোগ্য আইন ও নীতি সমূহের যথযথ বাস্তবায়ন

কোম্পানি আইন, ১৯৯৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন বিধি, ১৯৮৭ অনুসরণ পূর্বক কোম্পানি যতে তার যাবতীয় আর্থিক লেনদেনের হিসাব সংরক্ষণ করাসহ সঠিক আর্থিক অবস্থা প্রকাশ করে, তা নিশ্চিত করার দায়িত্ব পরিচালকমণ্ডলীর। সকল আর্থিক হিসাব প্রণয়নে International Accounting Standards (IAS) এবং International Financial Reporting Standards (IFRS) সহ অন্যান্য আরোপযোগ্য নীতিসমূহের পূর্ণ অনুসরণ পূর্বক প্রস্তুত করার প্রক্রিয়া নিশ্চিত করা হয়।

### আর্থিক প্রতিবেদন ও জবাবদিহি

আলোচ্য অর্থ বছরের প্রথম প্রান্তিক, অর্ধ-বার্ষিক এবং তৃতীয় প্রান্তিকের আর্থিক হিসাব প্রস্তুত, আর্থিক বছর শেষে বার্ষিক হিসাব এবং কার্যক্রমের যথাযথ মূল্যায়ন ও প্রকাশের দায়িত্ব পরিচালকমণ্ডলী পালন করে যাচ্ছেন। পরিচালকমণ্ডলী কর্তৃক গঠিত অডিট কমিটি এসব প্রতিবেদনের তথ্যবলীর সঠিকতা, যথার্থতা, স্বচ্ছতা ও পূর্ণাঙ্গতা নিয়মিত নিরীক্ষা করে থাকেন।

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং SEC/CMRRCD/2008-183/Admin/3-34, তারিখঃ ২৭ সেপ্টেম্বর, ২০০৯ এবং ঢাকা স্টক এক্সচেঞ্জ লিঃ ও চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ এর লিস্টিং রুলস অনুযায়ী ২০১৯-২০ অর্থ বছরের প্রথম প্রান্তিক, অর্ধ বার্ষিক ও তৃতীয় প্রান্তিকের অনিরীক্ষিত হিসাব কোম্পানির ওয়েবসাইট, খবরের কাগজ ও অনলাইন নিউজ পোর্টালের মাধ্যমে প্রকাশ করা হয়েছে এবং কোম্পানি যথারীতি ও নিয়মিতভাবে BSEC, DSE, CSE সহ অন্যান্য নিয়ন্ত্রণকারী প্রতিষ্ঠান সমূহে প্রেরণ করেছে।

### ব্যবস্থাপনা সংক্রান্ত বিবৃতি এবং পর্যালোচনা

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড নোটিফিকেশন নং BSEC/CMRRCD/2006-158/207/Admin/80 তারিখঃ ০৩ জুন, ২০১৮ অনুসারে কোম্পানির চলমান সক্ষমতা, আর্থিক অবস্থা ও অন্যান্য প্রকাশিত বিবৃতিগুলো সম্পর্কে পৃথকভাবে ব্যবস্থাপনা পরিচালকের প্রতিবেদনে ৩৪-৩৬ পৃষ্ঠায় বিস্তারিত আলোচনা করা হয়েছে।

### ব্যবসা সংশ্লিষ্ট পক্ষগণের সাথে লেনদেন

ব্যবসা সংশ্লিষ্ট পার্টিসমূহের সাথে লেনদেন International Accounting Standards (IAS) - 24 ও ব্যবসায়িক নীতিমালা অনুসরণ করে বাণিজ্যিক ভিত্তিতে করা হয়েছে। আলোচ্য অর্থ বছরের সংশ্লিষ্ট পার্টিসমূহের সাথে লেনদেনের প্রকৃতি, ধরন, মান ইত্যাদি বিস্তারিত ভাবে আর্থিক প্রতিবেদনের ১১০-১১১ পৃষ্ঠায় উপস্থাপন করা হয়েছে।

### অডিট কমিটি

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং BSEC/CMRRCD/2006-158/207/Admin/80 তারিখ ০৩ জুন, ২০১৮ এর নির্দেশনা মোতাবেক পরিচালকমণ্ডলী কর্তৃক গঠিত ১ জন ইন্ডিপেন্ডেন্ট পরিচালকসহ অভিজ্ঞতা সম্পন্ন ৩ (তিন) সদস্য বিশিষ্ট অডিট কমিটি কাজ করছে। কমিটি তার রিপোর্টে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন ও বোর্ড কর্তৃক প্রদত্ত দায়িত্ব সম্পাদন, অভ্যন্তরীণ নিরীক্ষা পদ্ধতি, বার্ষিক আর্থিক প্রতিবেদন প্রস্তুতি এবং বহিঃ নিরীক্ষকগণের পর্যবেক্ষণ গুলোর বিশদ আলোচনা ও পর্যালোচনা করেছেন। রিপোর্টে এর কোন পর্যায়ে নূন্যতম ত্রুটি, অমিল অথবা সত্য পরিপন্থী তথ্য না থাকায় আর্থিক অবস্থার প্রতিবেদন বাস্তব ও স্বচ্ছ হিসেবে গণ্য হয়েছে। অডিট কমিটির একটি রিপোর্ট ৪৫-৪৭ পৃষ্ঠায় সন্নিবেশিত হয়েছে।





### সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ বিধিমালা প্রতিপালন

কোম্পানি তার সকল পরিচালক, সকল কর্মকর্তা-কর্মচারী এবং এর সাথে সংশ্লিষ্ট সবার জন্য শেয়ার লেনদেনের ক্ষেত্রে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধি অনুসারে সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ বিধিমালা প্রতিপালনকল্পে একটি নীতি নির্ধারণ করেছে। এ নীতিমালা যথাযথভাবে প্রতিপালিত হচ্ছে।

### ইন্ডিপেনডেন্ট পরিচালক

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং BSEC/CMRRCD/2006-158/207/Admin/80 তারিখ ০৩ জুন, ২০১৮ অনুযায়ী ২ জন ইন্ডিপেনডেন্ট পরিচালক যথাক্রমে জনাব মোঃ মুশফিকুর রহমান (এফসিএ) ও জনাব মোহাম্মাদ মনিরুজ্জামান (এফসিএ) দায়িত্ব পালন করছেন।

### আইনের প্রতি শ্রদ্ধা

রাষ্ট্রীয় আইন ও বিধি বিধানের যথাযথ অনুসরণ ও প্রতিপালনে সর্বোচ্চ অগ্রাধিকার প্রদান করা হচ্ছে এবং করণীয় বিষয়সমূহ যথাসময়ে ও যথাযথভাবে নিশ্চিত করা হচ্ছে। কোম্পানি আইন প্রয়োগকারী ও নিয়ন্ত্রণকারী সংস্থা সমূহের বিধি বিধান মেনে চলতে বদ্ধপরিকর।

### বিধিবদ্ধ পরিশোধ সমূহ

কোম্পানিতে কর্মরত কর্মকর্তা-কর্মচারীগণের এবং রাষ্ট্রীয় সকল বিধিবদ্ধ দেনাসমূহ যথাযথভাবে হালনাগাদ পরিশোধিত হয়েছে।

### পুঁজি বাজারের বিধি সমূহ প্রতিপালন

কোম্পানি ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ এ তালিকাভুক্ত হওয়ার পর থেকে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ সহ এতদসংশ্লিষ্ট অন্যান্য কর্তৃপক্ষের সময়ে সময়ে ইস্যুকৃত আইন, বিধি ও নির্দেশনা সমূহ যথাযথভাবে প্রতিপালন করে যাচ্ছে।

### উল্লেখযোগ্য আর্থিক বিবরণীর তথ্যাদি

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী গত ৫ বছরের উল্লেখযোগ্য আর্থিক কার্যক্রম ও ফলাফলের সংক্ষিপ্ত বিবরণী প্রতিবেদনের ৩৭ পৃষ্ঠায় বর্ণিত হয়েছে।

### মাইনরিটি শেয়ারহোল্ডারদের স্বার্থ

কোম্পানির অবিচ্ছেদ্য নীতি অনুযায়ী, ব্যবস্থাপনা কর্তৃক মাইনরিটি শেয়ারহোল্ডারদের স্বার্থ সুরক্ষিত রয়েছে। ব্যবস্থাপনা কর্তৃক মাইনরিটি শেয়ারহোল্ডারদের স্বার্থ রক্ষায় আপত্তিজনক ক্রিয়াকলাপ থেকে মুক্তির স্বার্থে শেয়ারহোল্ডারদের প্রত্যক্ষ বা পরোক্ষভাবে কার্যকলাপ নিয়ন্ত্রণ এবং কার্যকর প্রতিকার করা হবে।

### অস্বাভাবিক কার্যকলাপ এবং তাদের প্রভাব (লাভ বা ক্ষতি) এর ধারাবাহিকতা সম্পর্কে আলোচনাঃ

২০১৯-২০ অর্থবছরে কোম্পানির কোন অস্বাভাবিক লাভ-ক্ষতি এর কার্যকলাপ ঘটেনি।

### কোম্পানি এই বছরের জন্য লভ্যাংশ (নগদ বা স্টক) ঘোষণা না করে থাকলে তার কারণ সম্পর্কে ব্যাখ্যাঃ

এই অর্থবছরে, কোম্পানির পরিচালনা পর্ষদ আইসিবি সহ সাধারণ শেয়ারহোল্ডারদের ৫% নগদ লভ্যাংশ প্রদানের প্রস্তাব দিয়েছে।

### অন্তর্বর্তীকালীন লভ্যাংশ হিসাবে বোনাস শেয়ার বা স্টক ডিভিডেন্ড ঘোষণার বিষয়ে বোর্ডের বক্তব্যঃ

২০১৯-২০ অর্থবছরে কোন বোনাস শেয়ার বা স্টক ডিভিডেন্ড অন্তর্বর্তীকালীন লভ্যাংশ হিসাবে ঘোষণা করা হয়নি।

### শ্রমিক মুন্যফা অংশীদারিত্ব তহবিল (WPPF)

শ্রম আইন, ২০০৬ (সংশোধিত শ্রম আইন, ২০১৮) অনুযায়ী, কোম্পানির চলতি বছরের মুন্যফার ৫% অর্থাৎ ৯,৫৪,৩৬২.০০ টাকা যথাসময়ে শ্রমিক অংশীদারিত্ব ও শ্রমিক কল্যাণ তহবিলে প্রদান করা হবে।

### অভ্যন্তরীণ নিয়ন্ত্রণ

কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুষ্ঠু ভিত্তির উপর প্রতিষ্ঠিত আছে এবং গৃহীত ব্যবস্থা যথাযথভাবে কাজ করছে। পরিচালকমণ্ডলী সময়ে সময়ে অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি মূল্যায়ন ও উন্নয়নের জন্য প্রয়োজনীয় পরিবর্তন আনয়ন করে থাকেন।





### চলমান প্রতিষ্ঠান

পরিচালকমণ্ডলী কোম্পানির ব্যবসায়িক গতিপ্রকৃতি বিশ্লেষণের মাধ্যমে মহান আল্লাহর রহমতে নিশ্চিত হয়েছেন যে, আগামী দিনগুলোতে ব্যবসায়িক কার্যক্রম চালিয়ে নেয়ার মত যথেষ্ট সম্ভাবনা কোম্পানির রয়েছে। চলমান নীতিমালায় আলোকেই কোম্পানির আর্থিক বিবরণী সমূহ প্রস্তুত করা হয়েছে। কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষের বিবেচনায় এরূপ কোন ঘটনা বা পরিস্থিতি সম্পর্কিত বৈষয়িক উদ্বেগ বা অনিশ্চয়তা সৃষ্টি হয়নি, যার দ্বারা কোম্পানি চলমান প্রতিষ্ঠান হিসেবে এর ভবিষ্যৎ কার্যক্রম চালিয়ে যাওয়ার ক্ষেত্রে সক্ষমতার বিষয়ে কোনরূপ সন্দেহ সৃষ্টি করতে পারে।

### শেয়ার বাজারে কোম্পানির অবস্থান

আলোচ্য সময়ে কোম্পানির শেয়ার ঢাকা স্টক এক্সচেঞ্জ ও চট্টগ্রাম স্টক এক্সচেঞ্জ এ অতিমাত্রায় বৃদ্ধি বা অবমূল্যায়িত হয়নি। শেয়ারহোল্ডারগণ সর্বদা সিলভা ফার্মাসিউটিক্যালসের শেয়ারের উপর আস্থাশীল। উভয় স্টক এক্সচেঞ্জে প্রতি ১০ টাকার অভিজিত মূল্যের শেয়ার সর্বনিম্ন ১৩.৬০ টাকা থেকে সর্বোচ্চ ২৪.৩০ টাকায় ট্রেডিং হয়েছে।

### ঝুঁকি ও অনিশ্চয়তা

ফার্মাসিউটিক্যালস শিল্পে ক্ষমতার অভাব, শ্রমিকদের অস্থিরতা, রাজনৈতিক অস্থিরতা যেমন হ্রতালের ফলে উৎপাদন ব্যাহত এবং তহবিল ব্যয়ের মতো অনেক চ্যালেঞ্জের মুখোমুখি হতে হয়। বিদ্যমান বৈশ্বিক ও জাতীয় নীতিমানের পরিবর্তন কোম্পানির পক্ষে ইতিবাচক বা নেতিবাচক উভয় প্রভাব ফেলতে পারে। আন্তর্জাতিক বাজারে নীতি পরিবর্তনের কারণে কাঁচামালের অপ্রতুলতা বা মূল্যবৃদ্ধি উৎপাদন ও লাভজনকতাকে বধা দিতে পারে। মুদ্রা বিনিময় হারের পরিবর্তন দরদামের উপরেও প্রভাব ফেলে এবং এর ফলে কোম্পানির লাভজনকতায়ও আঘাত হানে। বাংলাদেশ ও বিশ্বব্যাপী রাজনৈতিক ও অর্থনৈতিক অস্থিতিশীলতার কারণেও কোম্পানির কার্যকারিতা নেতিবাচকভাবে প্রভাবিত হয়। তদুপরি, শিল্পের ঝুঁকি এবং উদ্বেগ সম্পূর্ণরূপে আসন্ন সরকারী নীতিমালাতেও নির্ভর করে।

করোনা ভাইরাসের প্রাদুর্ভাবের সম্ভাব্য প্রভাব কোম্পানির ব্যবসায়িক কার্য সম্পাদন এবং সরবরাহের ধারাবাহিকতাকে অনিশ্চিততার মধ্যে রেখেছে। এই প্রতিবেদনের তারিখ অবধি, এই প্রকোপ শিল্প-বাণিজ্যের ফলাফলে কোন গুরুত্বপূর্ণ প্রভাব ফেলেনি। তবে, ব্যবসায় ফলাফলের উপর সম্ভাব্য প্রভাব, আমাদের সরবরাহের ধারাবাহিকতা এবং আমাদের কর্মচারীদের সাথে নিয়ে আমরা পরিস্থিতি নিবিড়ভাবে পর্যবেক্ষণ করি। পরিস্থিতি যে কোন সময় পরিবর্তিত হতে পারে এবং করোনার ভাইরাসের প্রাদুর্ভাব কোম্পানির ভবিষ্যৎ ফলাফলে যে গুরুত্বপূর্ণ প্রভাব ফেলবে তা তার কোন নিশ্চয়তা নেই।

### নৈতিকতা প্রতিপালন

কোম্পানি নৈতিকতার উপর সর্বোচ্চ গুরুত্ব দিয়ে থাকে। যাতে আইন-কানুন ও পেশাদারিত্ব বজায় রেখে সংশ্লিষ্ট কর্মকর্তা ও কর্মচারীবৃন্দ সঠিক ও সুচারুভাবে স্ব স্ব দায়িত্ব পালন করতে সক্ষম হন।

### কর্মকর্তা-কর্মচারী-শ্রমিক সুসম্পর্ক

সিলভা ফার্মাসিউটিক্যালস লিমিটেডে কর্মরত সর্বস্তরের কর্মকর্তা-কর্মচারী-শ্রমিকদের মাঝে কাজের প্রতি একাত্মতা, নিষ্ঠা, গভীর আন্তরিকতা, অর্থবহ সহযোগিতা ও মর্যাদাপূর্ণ ভাবুপ্রতিম সুসম্পর্ক বিরাজ করছে যা কোম্পানির উন্নয়ন ও উৎপাদনের গতিশীলতা বৃদ্ধিতে প্রতিনিয়ত শক্তি যোগাচ্ছে।

### নমিনেশন ও রেম্যুনেরেশন কমিটি (NRC)

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড নোটিফিকেশন নং BSEC/CMRRCD/2006-158/207/Admin/80 তারিখঃ ০৩ জুন, ২০১৮ এর ৬ নং শর্ত অনুসারে একটি Nomination and Remuneration কমিটি (NRC) গঠন করা হয়। আলোচ্য অর্থ বছরে NRC কমিটির কার্যক্রমের বিস্তারিত বিবরণ প্রতিবেদনের ৪৮-৫০ পৃষ্ঠায় সন্নিবেশিত হয়েছে।

### পরিচালকমণ্ডলীর ভাতা

ইন্ডিপেন্ডেন্ট পরিচালক সহ পরিচালকমণ্ডলীর সম্মানী ও ভাতা বাবদ ব্যয়ের পরিমাণ আর্থিক প্রতিবেদনের ৩৪.০১ নং নোটে উল্লেখ করা হয়েছে, যা বার্ষিক প্রতিবেদনের ১১১ পৃষ্ঠায় বর্ণিত হয়েছে।

### পারিশ্রমিক নীতি

সম্মানী বিষয়ে সিদ্ধান্ত নেয়ার ক্ষেত্রে মুদ্রাস্ফীতি, প্রাইস ইনডেক্স এবং অপরাপর প্রতিযোগী কোম্পানি সমূহের সাথে সামঞ্জস্য রেখে কর্মকর্তা, কর্মচারীদের বেতন-ভাতা-মজুরী ইত্যাদি নির্ধারণ করা হয়। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের জারিকৃত কর্পোরেট গভর্নেন্স কোড অনুসারে NRC কমিটির সুপারিশ মোতাবেক কার্যনির্বাহী পরিচালকদের মূল্যায়ন ও সম্মানী বেতনের অনুমোদন সাপেক্ষে প্রদানের পদ্ধতি অনুসরণ করা হয়।



### পরিচালক নির্বাচন

সিলভা মির্জা, ডাঃ সায়েদা খান এবং জনাব মনসুর রহমান (আদর্শ ফিশারিজ ও পোল্ট্রি ফার্ম লিমিটেডের মনোনীত পরিচালক) এই বার্ষিক সাধারণ সভায় কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ধারা ৯৪ অনুসারে অফিস থেকে অবসর গ্রহণ করেছেন। আইন অনুসারে, অবসরপ্রাপ্ত পরিচালকবা পরিচালক হিসাবে কাজ করার জন্য পুনরায় নির্বাচিত হওয়ার যোগ্য। ২৪-০৫-২০২০ তারিখে ইনডিপেন্ডেন্ট পরিচালক জনাব মুশফিকুর রহমান তার তিন (তিন) বছর মেয়াদ শেষ করেছেন। আইসিবি তর মনোনীত পরিচালক জনাব মোঃ নজরুল ইসলাম (ডিজিএম) কে জনাব নজরুল ইসলাম খান (জিএম) এর পরিবর্তে ২০ শে জানুয়ারী, ২০২০ তারিখে নিয়োগ প্রদান করেছেন। ৮৪ তম সভায় পরিচালনা পর্ষদ পরিচালক মোঃ মুশফিকুর রহমানকে পুনরায় পরবর্তী মেয়াদকালীন (অর্থাৎ তিন বছরের সময়) ১৯ তম সাধারণ সাধারণ সভায় (এজিএম) শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে নিয়োগ প্রদান করেছে। পরিচালকদের প্রয়োজনীয় তথ্য সহ সংশ্লিষ্ট জীবনবৃত্তান্ত এই বার্ষিক প্রতিবেদনের ডিরেক্টর রিপোর্টের প্রোফাইলের অধীনে দেয়া আছে।

### আর্থিক বিবরণী প্রস্তুত পরবর্তী ঘটনাবলী

০১ জুলাই ২০১৯ থেকে ৩০ জুন ২০২০ পর্যন্ত সময়ের আর্থিক বিবরণী প্রস্তুত-পরবর্তী সময়ের প্রয়োজনীয়তা অথবা আর্থিক বিবরণীতে প্রকাশযোগ্য কোন ঘটন ঘটেনি।

### লভ্যাংশ প্রদানের নীতি

সিলভা ফার্মাসিউটিক্যালস লিঃ এর ব্যবস্থাপনা কর্তৃপক্ষ একান্তভাবে বিশ্বাস করে যে, কোম্পানি কার্যক্রমের ফলস্বরূপ চলমান সময়ে শেয়ারহোল্ডারদেরকে যেমন সর্বোচ্চ সুবিধা তথা মুনাফা প্রদান করতে হবে তেমনি অর্জিত মুনাফার একাংশ সঞ্চয়রূপে স্থিত রাখতে হবে যাতে ভবিষ্যতেও কোম্পানির সার্বিক সম্প্রসারণ ও শেয়ারহোল্ডারদেরকে ক্রমবর্ধমান সুবিধা প্রদানের সামর্থ্য বজায় থাকে। এ বিবেচনায় কোম্পানি বর্তমান ও ভবিষ্যৎ বেনিফিসিয়ারীগণের চাহিদা ও স্বার্থের মাঝে ভারসাম্যপূর্ণ গুরুত্ব প্রদান করে লভ্যাংশ ঘোষণা করে থাকে।

### লভ্যাংশ

কোম্পানির ২০১৯-২০ অর্থবছরের আর্থিক বিবরণীতে প্রতিকূলিত সামগ্রিক পারফরম্যান্সের ভিত্তিতে, পরিচালনা পর্ষদ সাধারণ শেয়ারহোল্ডারদের (আইসিবি সহ) ১০ টাকা অভিজিত মূল্যের প্রতিটি শেয়ারের জন্য ৫% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন।

### রিজার্ভ এন্ড সারপ্রাস

২০১৯-২০ অর্থ বছরে কোম্পানির রিজার্ভ এন্ড সারপ্রাস ৮৩,৩১,০৯,৮৭৭.০০ টাকায় উন্নীত হয়েছে যা পূর্ববর্তী ২০১৮-১৯ অর্থ বছরে ছিলো ৮৩,৩৪,৪২,৯৪৬.০০ টাকা।

### নিরীক্ষক নিয়োগ

কোম্পানির নিরীক্ষক মাহফেজ হক এন্ড কোং, চার্টার্ড একাউন্টেন্টস ২০১৯-২০ অর্থ বছরে নিরীক্ষা কার্য সম্পাদন করেছেন। মাহফেজ হক এন্ড কোং, চার্টার্ড একাউন্টেন্টস এ সভার অবসর গ্রহণ করেছেন। আইন অনুসারে বর্তমান নিরীক্ষক পুনরায় কোম্পানির নিরীক্ষক হিসেবে নিয়োগ প্রাপ্ত হওয়ার যোগ্য নন, যোহেতু বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং BSEC/CMRRCD/2006-158/208/Admin/81 তারিখ: ২০ জুন ২০১৮, এর বিধি অনুযায়ী আইপিও শেষ হওয়ার পরে তাদের তিন বছরের সময় শেষ হয়েছে। এ কারণে আগামী বছরের জন্য একটি নতুন বিধিবদ্ধ নিরীক্ষক নিয়োগ করা হবে উপরের পরিস্থিতিতে শিরাজ খান বসাক এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস ৩০ শে জুন, ২০২১ সমাপ্ত বছরের জন্য নিরীক্ষক হিসেবে নিয়োগ প্রাপ্ত হওয়ার ইচ্ছা (Expression of Interest) প্রকাশ করেছেন। উপরে বর্ণিত নিরীক্ষা সংস্থা কমিশন এবং আইসিএবি দ্বারা তালিকাভুক্ত।

অডিট কমিটি নিরীক্ষা কার্য এবং অডিট ফার্মের প্রোফাইল বিশদ ভাবে পর্যালোচনা করে আগামী অর্থ বছরের জন্য শিরাজ খান বসাক এন্ড কোং, চার্টার্ড একাউন্টেন্টস-কে কোম্পানির নিরীক্ষক হিসেবে নিয়োগ দানের জন্য প্রস্তাব করেন।

আইন অনুযায়ী যোগ্য হওয়ার, পরিচালকমণ্ডলী অডিট কমিটির সুপারিশের সাথে একমত পোষণ পূর্বক শিরাজ খান বসাক এন্ড কোং, চার্টার্ড একাউন্টেন্টসকে ২,০০,০০০ (দুই লক্ষ) টাকা অডিট ফি ধার্য করে ২০২০-২১ অর্থ বছরের জন্য কোম্পানির নিরীক্ষক হিসেবে নিয়োগদানের জন্য প্রস্তাব করেন। বিষয়টি এই বার্ষিক সাধারণ সভায় কোম্পানির শেয়ারহোল্ডারগণের বিবেচনা ও ছড়ান্ত অনুমোদনের জন্য পেশ করা হবে।

### কমপ্লায়েন্স অডিটর নিয়োগ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ইস্যুকৃত কর্পোরেট গভর্নেন্স কোড অনুযায়ী এস আর ইসলাম এন্ড কোং, চার্টার্ড একাউন্টেন্টস কোম্পানির ২০১৯-২০ অর্থ বছরের কমপ্লায়েন্স অডিট সম্পন্ন করেছেন। এস আর ইসলাম এন্ড কোং এ বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেন। কর্পোরেট গভর্নেন্স কোড অনুসারে বর্তমান অডিটর ২০২০-২১ অর্থ বছরের জন্য নিয়োগপ্রাপ্ত হওয়ার যোগ্য হওয়ায় কমপ্লায়েন্স অডিটর হিসেবে পুনঃনিয়োগ প্রাপ্ত হওয়ার ইচ্ছা প্রকাশ (Expression of Interest) করেন।

এ ব্যাপারে বোর্ড সার্বিক দিক পর্যালোচনা পূর্বক ৩০,০০০ (ত্রিশ হাজার) টাকা অডিট ফি ধার্য করে এস আর ইসলাম এন্ড কোং, চার্টার্ড একাউন্টেন্টস কে ২০২০-২১ অর্থ বছরের জন্য কোম্পানির কমপ্লায়েন্স অডিটর হিসেবে পুনঃ নিয়োগদানের জন্য প্রস্তাব করেছেন।





### বিধিবদ্ধ তথ্য সম্বন্ধে পরিচালকমন্ডলীর ঘোষণা

সম্মানিত শেয়ারহোল্ডারগণ ও স্টেকহোল্ডারগণের প্রতি জবাবদিহির দৃষ্টিভঙ্গি নিয়ে সুচারুভাবে কোম্পানির পরিচালনা করা হচ্ছে কর্পোরেট গভর্নেন্স এর মূল উদ্দেশ্য। পরিচালকগণ বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর কর্পোরেট গভর্নেন্স কোড অনুসারে নিম্নে উল্লিখিত বিষয়সমূহের মান নিশ্চিত করেনঃ-

- ক. কোম্পানির শিল্প দৃষ্টিভঙ্গি এবং সম্ভাব্য ভবিষ্যৎ উন্নয়ন সম্পর্কিত বিষয় বার্ষিক প্রতিবেদনের ৪৩ পৃষ্ঠায় বর্ণিত হয়েছে;
- খ. সেগমেন্ট বা পণ্য ভিত্তিক পারফরমেন্স সম্পর্কিত তথ্য বার্ষিক প্রতিবেদনের ৪৪ পৃষ্ঠায় বর্ণিত হয়েছে;
- গ. IPO Proceeds Utilization সম্পর্কিত তথ্য বার্ষিক প্রতিবেদনের ৪২ পৃষ্ঠায় বর্ণিত হয়েছে;
- ঘ. Cost of Goods Sold, Gross Profit Margin ও Net Profit Margin সম্পর্কিত তথ্য বার্ষিক প্রতিবেদনের ৪৪ পৃষ্ঠায় বর্ণিত হয়েছে;
- ঙ. ইন্ডিপেন্ডেন্ট পরিচালকসহ পরিচালকমন্ডলীর তাতা (Remuneration) সম্পর্কিত তথ্য বার্ষিক প্রতিবেদনের ১১১ পৃষ্ঠায় বর্ণিত হয়েছে;
- চ. কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণী সম্পর্কিত বিভিন্ন কার্যক্রমের চিত্র, ফলাফল, পরিচালনা নীতিমালা, নগদ অর্থ প্রবাহ এবং তারল্যের পরিবর্তন যুক্তিযুক্ত ও দূরদর্শী বিবেচনার ভিত্তিতে উপস্থাপিত হয়েছে;
- ছ. কোম্পানির হিসাব বহিসমূহ যথাযথভাবে সংরক্ষিত হয়েছে;
- জ. হিসাব নীতিমালা অনুসরণ পূর্বক আর্থিক বিবৃতি সমূহ প্রস্তুত করা হয়েছে এবং হিসাব সম্পর্কিত অনুমানগুলো বিচক্ষণতার সাথে যুক্তিসঙ্গতভাবে তৈরী করা হয়েছে;
- ঝ. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার কার্যকর প্রয়োগ ও তদ্রাবধান নিশ্চিত করা হয়েছে;
- ঞ. চলমান প্রতিষ্ঠান হিসেবে কোম্পানির সক্ষমতা প্রমাণিত;
- ট. নিম্নলিখিত বিষয় ব্যতীত কোম্পানির পরিচালনাগত ব্যাপারে পূর্ববর্তী বছরের তুলনায় কোনো বিচ্যুতি নেই:  
৩০ জুন ২০২০ সমাপ্ত বছরে কর পরবর্তী নিট মুনাফা আগের বছরের তুলনায় হ্রাস পেয়েছে। উক্ত বিচ্যুতি মূলত আগের বছরের তুলনায় অবচয় ব্যয়ের উল্লেখযোগ্য পরিমাণ (১,৬৩,৩৫,৪৮৬.০০ টাকা) বৃদ্ধি এবং ডেফার্ড ট্যাক্সের সুবিধা পাওয়ার কারণে পূর্ববর্তী বছরে কর পরবর্তী মুনাফা বেশি ছিলো বিধায় এই হ্রাস ঘটে। ২০১৮-২০১৯ সালে কোম্পানি স্টক এক্সচেঞ্জের তালিকাভুক্ত হয় এবং কোম্পানি প্রথমবারের মত তালিকাভুক্ত হওয়ায় আয়কর হার ৩৫% থেকে ২৫% এ পরিবর্তনের কারণে ডেফার্ড ট্যাক্স ইনকাম দাঁড়িয়েছে ২,৬০,৬২,৭৯৮.০০ টাকা।
- ঠ. পরিচালকমন্ডলীর সভায় উপস্থিতির বিবরণ ৪৩ পৃষ্ঠায় বর্ণিত হয়েছে;
- ড. কোম্পানির শেয়ারহোল্ডিং প্যাটার্ন বার্ষিক প্রতিবেদনের ৩৯-৪০ পৃষ্ঠায় বর্ণিত হয়েছে;
- ঢ. কোয়ার্টারলি হিসাব ও বার্ষিক হিসাবের সাথে উল্লেখযোগ্য পার্থক্য নেই;
- ণ. বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিফিকেশন অনুসারে ব্যবস্থাপনা পরিচালক এবং চিফ ফাইনেঙ্গিয়াল অফিসার কর্তৃক আলোচ্য বছরে তাদের দায়িত্ব ও কর্তব্য সম্পর্কিত ঘোষণা প্রতিবেদনের ৫৮ পৃষ্ঠায় বর্ণিত হয়েছে;
- ত. বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর প্রোফারমা অনুযায়ী কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট প্রতিবেদনের ৫৯ পৃষ্ঠায় বর্ণিত হয়েছে।





### শেয়ারহোল্ডারগণের সাথে যোগাযোগ ও সম্পর্ক

কোম্পানি আইন মোতাবেক কোম্পানি ষষ্ঠাধীতি নিয়মিত বার্ষিক সাধারণ সভা আয়োজন করে আসছে, যার মাধ্যমে শেয়ারহোল্ডারগণকে আর্থিক ফলাফল, অগ্রগতি, গৃহীত গুরুত্বপূর্ণ কার্যক্রম ও উন্নয়ন সম্পর্কে অবহিত করা হয়। ফলে শেয়ারহোল্ডারগণ ও সংশ্লিষ্ট প্রতিষ্ঠান কোম্পানি সম্পর্কে বিভিন্ন প্রয়োজনীয় তথ্য যথাসময়ে অবহিত হচ্ছেন। শেয়ারহোল্ডারগণ শেয়ার বিভাগ থেকে টেলিফোন, মোবাইল ফোন, ই-মেইল ও ওয়েবসাইটের (www.silvapharma.com) মাধ্যমে প্রতিনিয়ত প্রয়োজনীয় তথ্যাদি সংগ্রহ করতে পারছেন।

### কৃতজ্ঞতা ও ধন্যবাদ জ্ঞাপন

পরিচালকমণ্ডলী ঔষধ শিল্পের সাথে সংশ্লিষ্ট স্বাস্থ্য মন্ত্রণালয়, ঔষধ প্রশাসন অধিদপ্তর, ঔষধ শিল্প সমিতি, সম্মানিত চিকিৎসক ও কেমিষ্টগণের অকুণ্ঠ সমর্থনের জন্য আন্তরিক ধন্যবাদ জানাচ্ছে। পরিচালনা পর্ষদ বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি), ঢাকা স্টক এক্সচেঞ্জ (ডিএসই), চট্টগ্রাম স্টক এক্সচেঞ্জ (সিএসই) এর সার্বিক সহযোগিতার জন্য ধন্যবাদ জানাচ্ছে। পরিচালনা পর্ষদ ব্যাংক ও আর্থিক প্রতিষ্ঠানগুলোকে সহায়তার জন্য ধন্যবাদ জানাচ্ছে।

পরিচালকমণ্ডলী ব্যবসায়িক সফলতায় আন্তরিক অবদান রাখা সহ সব পর্যায়ের ক্রেতা-ভোক্তা, পৃষ্ঠপোষক ও শুভানুধ্যায়ীকে সার্বিক সহযোগিতার জন্য আন্তরিক মোবারকবাদ জানাচ্ছে। পাশাপাশি কর্মকর্তা ও কর্মচারীগণের গভীর আন্তরিকতা, তর্নবহ সহযোগিতা, আনুগত্য ও কর্তব্য নিষ্ঠার জন্য ধন্যবাদ জ্ঞাপন করছে।

সম্মানিত শেয়ারহোল্ডারগণ পরিচালকমণ্ডলীর উপর যে আস্থা ও বিশ্বাস রেখেছেন তা তাদেরকে গভীরভাবে উৎসাহিত ও অনুপ্রাণিত করেছে। এটি বজায় রাখতে ব্যবস্থাপনা কর্তৃপক্ষ, কর্মকর্তা ও কর্মচারীগণ দৃঢ় প্রতিজ্ঞ।

দেশ ও জাতির অব্যাহত উন্নয়নে আমাদের সব অকৃত্রিম ও নিরলস প্রয়াস আল্লাহপাক কবুল করুন। সবশেষে, গণপ্রজাতন্ত্রী বাংলাদেশ, দেশের জনসাধারণ ও কোম্পানির উত্তরোত্তর উন্নতি, সমৃদ্ধি ও সার্বিক অগ্রগতির জন্য মহান আল্লাহ রাব্বুল আলামীনের দরবারে রহমত কামনা করছি।

আল্লাহ হাফেজ,

পরিচালকমণ্ডলীর অনুমোদনক্রমে ও পক্ষে,

*Blizra.*

সিলভানা মির্জা

চেয়ারম্যান

ঢাকা, ২৭ অক্টোবর, ২০২০



## Directors' Report to the Shareholders

Bismillahir Rahmanir Rahim

**Dear Shareholders,**

Assalamu Alaikum Wa Rahmatullah,

The Board of Directors' of Silva Pharmaceuticals Limited highly pleased to welcome you to the 19<sup>th</sup> Annual General Meeting of the company and present before you to receive, consider and adopt the Audited Financial Statements of the company for the year ended on 30 June, 2020 together with the Auditors Report and Directors' Report thereon, for your valuable guidance, opinion and consideration. We express our gratitude to the almighty Allah for the company's business achievement in 2019-2020.

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, 2020.

### 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 23<sup>th</sup> September 2018 and Chittagong Stock Exchanges Limited (CSE) on 16<sup>th</sup> September, 2018. From 10<sup>th</sup> October, 2018 the shares of the company's are traded in both Stock Exchanges.

### Main Objective of the Company

The Company's main objective is to play the role usually offering the healthcare service of highest standard through production and marketing of quality pharmaceuticals finished products in Bangladesh and abroad.

### Industrial Prospects

Silva Pharma tried to maintain the continuity of its productivity and best ethical standard of business affairs preferring the principles of sustainable development in the year under review. Alhamdulillah.

The Company has been able to hold its customer satisfaction upright providing the quality products with competitive price in the competitive business environment. The Company gives the utmost importance in extending business activities through supply of products as per demand keeping in view of future challenge depending on the modern technology.

### Bangladesh Pharma Market

In the year under review, the growth of pharmaceuticals market of Bangladesh stood 4.30%. The Silva Pharmaceuticals Limited achieved 4.22% growth which is good with respect to the growth of pharma market of Bangladesh





## Business Analysis

The year under review, in spite of severe competition and distresses of COVID-19 prevailed in the national and international business area, we have been able to maintain an overall progressive growth trend due to timely action taken by the Board of Directors, managing the finance efficiently through visionary steps and ensuring proper investment procedures.

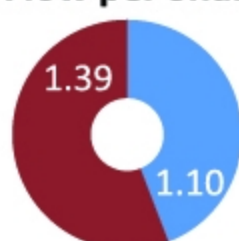
As a result, it became easy and usual to produce quality medicine and deliver the same at the doorsteps of the customers. The company has played a significant role in applying modern technology ensuring quality control, smooth distribution, and delivery of the medicine to the patients and customers.

## Financial Results:

The overall financial results of the company for the year ended 30 June, 2020 as compared to previous year ended 30 June, 2019 are summarized as follows:

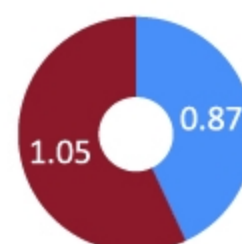
| Particulars                          | Amount in Taka           |                          |
|--------------------------------------|--------------------------|--------------------------|
|                                      | 01/07/2019 to 30/06/2020 | 01/07/2018 to 30/06/2019 |
| Turnover                             | 763,335,406              | 732,450,190              |
| Cost of Goods sold                   | (464,525,568)            | (440,501,039)            |
| Gross Profit/ (Loss)                 | 298,809,838              | 291,949,151              |
| Operating Expenses                   | (151,457,138)            | (141,697,442)            |
| Operating Income                     | 147,352,700              | 150,251,709              |
| Net Profit/ (Loss) before Income Tax | 159,087,248              | 157,318,884              |
| Income Tax Expenses                  | (40,144,317)             | (13,995,468)             |
| Net Profit/ (Loss) after Income Tax  | 118,942,931              | 143,323,416              |
| Earnings Per Share (EPS)             | 0.87                     | 1.05                     |
| Retained Earnings                    | 833,109,877              | 833,442,946              |
| Net Asset Value (NAV)                | 2,198,109,877            | 2,133,442,946            |
| Net Asset Value (NAV) per Share      | 16.10                    | 15.63                    |
| Net Operating Cash Flow per Share    | 1.10                     | 1.39                     |

Net Operating Cash Flow per Share



■ 2019-20 ■ 2018-19

Earnings per Share



■ 2019-20 ■ 2018-19

## Corporate Governance Compliance Report

The Corporate Governance Compliance Auditors has issued a Satisfactory Report on the overall level of compliance by the company.

Silva Pharmaceuticals Limited is committed to run the organization in adherence to the code of corporate governance (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 03 June, 2018) issued by the Bangladesh Securities and Exchange Commission (BSEC). During the year under review the code applicable for the company was duly followed. The compliance of the Corporate Governance Code certified





by the compliance Auditors and status of compliance of the company is reflected respected respectively in 'Annexure-B' and "Annexure-C" of the Annual Report page No. 59-68

### Compliance to the Labor Laws

In order to maintain labor friendly atmosphere in all aspects, the Company duly comply with the Bangladesh Labor Act, 2006 (As amended 2018) and other laws and regulations applicable to the Company. As per the Bangladesh Labor Rules, 2015 the requisite committees like Participatory Committee, Safety Committee, Canteen Management Committee and Sexual Harassment Protection Committee were formed. These committees are serving for the wellbeing of the workers within the purview of the provisions.

### Pollution Free Environment

In order to protect from risk of human health and environment, caused by increasing manmade pollution; Silva Pharmaceuticals Limited is trying its best to keep pollution free environment through ETP and follow the required laws and rules of Directorate General of Drug Administration and Department of Environment of the Government in the factory and its surrounding as well.

### 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) vides reference no. BSEC/CMRRCD/2006-158/207/Admin/80; dated 3 June, 2018. The Board's essential role is to approve the Company's strategy and oversee compliance.

### Implementation of IAS, IFRS and Other Applicable Laws and Regulations

The Board of Directors of the Company is entrusted to ensure the disclosure of the actual financial position and preparation and maintenance of all types of Statutory Statements as per the Bangladesh Securities and Exchange Commission (BSEC), the Companies Act-1994 and Bangladesh Financial Reporting Act (FRA)-2015. The Board of Director's is absolutely responsible to prepare all types of financial reports in line with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and other applicable rules and regulations.

### Financial Report and Accountability

The Board of Directors discharged their due responsibilities through timely preparation and publication of 1<sup>st</sup> quarter, half yearly, 3<sup>rd</sup> quarter and annual financial report at the end of each financial period and the affairs of the company performed in the year under review. Audit Committee, sub-committee of Board examined the fairness, exactness and transparency and completeness of these reports before placement of the same to the Board of their approval.

The Company Published the report (un-audited Financial Statements) of 1<sup>st</sup> Quarter, half yearly and 3<sup>rd</sup> Quarter Financial Statements as per notification of Bangladesh Securities and Exchange Commission (BSEC) and Listing rules 2015 of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd.(CSE) through Company's Website, Newspapers and online News portal and submitted the same timely to BSEC, DSE, CSE and other regulatory authorities.

### Management Discussion and Analysis

Detailed discussion on the operating and financial performance of the company along with other disclosures as required under Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC)





through Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 has been separately reported by the Managing Director in page no. 34-36.

### About the Related Party Transactions

The business related Party Transaction of the Company is being made based on the business principle and as per International Accounting Standard IAS-24. During the year under review, the standard, nature and the manner of related party transactions in the ordinary course of business carried out arm's length basis at commercial rates with related parties were reflected transparently in the financial statements which is given in the page no. 110-111 of the Annual Report.

### Audit Committee

As per BSEC's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018, the Audit Committee consisting of three members including one Independent Director having prominent reputation and versatile knowledge and experience have been working effectively. The Audit Committee has detailed discussion and analysis on its report as directed by BSEC and the Board with regards to internal audit system, preparation of annual financial report and the observations of external auditors. As there was no evidence of slightest mistakes, dissemblance or information contrary to the truth, the financial report was considered as realistic and transparent. Report of the Audit Committee is presented in the page no. 45-47 of the Annual Report.

### Beneficiary Insider Trading Prohibition Policy

The Company has outlined the beneficiary insider trading prohibition policy regarding the trading of Company's share its directors, employees and concerned persons. The policy is being followed accordingly.

### Independent Director

As per notification no-BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of Bangladesh Securities and Exchange Commission (BSEC), two learned and veteran professionals respectively Mr. Md Musfiqur Rahman, FCA and Mr. Muhammad Moniruzzaman, FCA have been performing the duties as Independent Director.

### Respect to the Laws

The laws of the state and other applicable rules and regulations of the company and the affairs thereon have duly been complied with the highest preference and timely actions on the same have been ensured. The Company is committed to abide by the rules of regulatory bodies and other legislative authorities as always.

### Statutory Payments

All statutory payments in relation to the employees and the government have duly been made up to date.

### Compliance to the Laws of the Capital Market

Since listing in both the stock Exchanges, the Company strictly abides by all the laws, regulations and directions circulated time to time by Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) and other related authorities.

### The Key Information of the Financial Statements

As per direction of the Bangladesh Securities and Exchange Commission (BSEC), the key information of the financial statements of preceding five years has been summarized in the page no. 37 of the Annual Report.





### **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.

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

During the Financial year 2019-2020, no extra ordinary activities occurred in the Company.

### **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 5% Cash Dividend to its general Shareholders including ICB.

### **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 2019-2020 no Bonus share or Stock Dividend has been declared by the board as interim dividend.

### **Workers Profit Participation and Welfare Fund**

In the year under review 5% of the Company's profit Tk. 79,54,362.00 will be transferred to the workers profit participation fund and welfare fund as per Labor Law 2006 (As amended in 2018).

### **Internal Control**

Internal Control System of the Silva Pharmaceuticals Ltd. is founded on specified set code approved by the board. The Board of Directors incorporates necessary norms and practices of Internal Control System for development of control management.

### **A Going Concern**

By the grace of the Almighty Allah, the Board of Directors after analysis of the business trend of the Company has confirmed that the Company has enough ability to carry on business activities in the coming days as a Going Concern and the financial statements have been prepared on the basis of going concern assumption basis. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

### **Company's Position in the Share Market**

In the year under review, the market share of the Company did not face ups and downs significantly in Dhaka Stock Exchange Ltd. (DSE) or Chittagong Stock Exchange Ltd. (CSE). The shareholders had always been confident on Silva shares. In the year 2019-20, the company shares were traded in both stock exchanges at minimum of Tk. 13.60 to maximum of Tk. 24.30 as against the face value of Tk. 10.00.





### 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.

The potential impact of the Corona Virus outbreak on the Company's trading performance and supply continuity remains uncertain. Up to the date of this report, the outbreak has not had a material impact on the trading results of the industry. However, we continue to monitor the situation closely, including the potential impacts on trading results, our supply continuity and our employees. The situation could change at any time and there can be no assurance that the corona virus outbreak will not have a material adverse impact on the future results of the company.

### Code of Ethics and its Implementation

Highest emphasis is given on the implementation of code of ethics and principles so that the concerned officials and personal can take appropriate decision complying the required laws and professionals manner.

### Workers-Officers Relationships

There exists devotion to work and respectful and harmonious relationships among all levels of officers and employees in The Silva Pharmaceuticals Industry Ltd. which has accelerated the Company's progress and productivity.

### Nomination and Remuneration Committee and their Report

In accordance with the condition 6 of Bangladesh Securities and Exchange Commission's Code of Corporate Governance, BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the Board formed the Nomination and Remuneration Committee (NRC).

The report from the Nomination and Remuneration Committee (NRC) about their activities performed during the year under review is mentioned in the page no. 48-50 of the Annual Report.

### Directors Remuneration

This information is incorporated in the Notes 34.01 of the Notes to the Financial Statement in the page no. 111 of Annual Report with reference to the "Directors Fees and Remuneration" figures relation to the Board of Directors including Independent Directors.

### Wage-Remuneration Policy

The salary and wages of the employees are usually determined considering the prevailing inflation, price index and in commensuration with the existing salary structure in other competitors' companies. The procedure of evaluation and determining the honorarium of the functional directors are being followed within the criteria recommended by the Nomination and remuneration Committee (NRC) duly approved by the Boards as per corporate governance code of BSEC.

### Election of Director's

Ms. Silvana Mirza, Dr. Saira Khan and Mr. Monsur Rahman (Nominated Director of Adarsha Fisheries & Poultry Farm Ltd.) retire from the office in this Annual General Meeting as per clause 94 of Articles of





Association of the company. As per law, the retired directors are eligible to be re-elected to act as Director. The Independent Director Mr. Musfiqur Rahman was completed his 3 (three) years tenure as on 24.05.2020. The ICB change his nominated director Mr. Md. Nazrul Islam, DGM in place of Mr. Nazrul Islam Khan, GM as on 20 January, 2020. The board of directors in its 84<sup>th</sup> meeting was agreed to re-appointment of Mr. Musfiqur Rahman for another one tenure only (i. e. three years' time) subject to the approval from the shareholders in its 19<sup>th</sup> Annual General Meeting (AGM). The brief resume along with the required information of the directors is given under the Directors Profile of this Annual Report.

### Events after the Reporting Period

Events after the reporting period for the year 2019-20, no necessity arose for subsequent adjustment or no pecuniary issues thereto happened which is mentionable in the Financial Statement.

### Dividend Policy

The management of the company sincerely believes that at the end of yearly operation of the company, the highest benefit i.e. dividend is given to the shareholders after retaining a portion of earnings so that the company can maintain the ability for future expansion and also extending facilities to the shareholders in future. Keeping this policy in mind, the company declares dividend giving importance on a balance between the present expectation of the shareholders and that of potential beneficiaries considering all relevant applicable laws and best practices in this connection.

### Dividend

Based on the overall performance as reflected in the Financial Statements for the year 2019-20 of the Company, the Board of Director's proposed cash dividend of 5% for general shareholders (including ICB) only as against per share of Tk. 10 each.

### Reserves and Surplus

In the year 2019-20, Company's reserves and surplus rose to Tk. 83,31,09,877.00 which was Tk. 83,34,42,946.00 in the previous year.

### Appointment of Statutory Auditors'

M/s. Mahfel Huq & Co., Chartered Accountants, existing statutory auditors of the company, audited the Accounts for the year 2019-2020. M/s. Mahfel Huq & Co., Chartered Accountants retire at this meeting. As per law, the existing auditors are not eligible for re-appointment as statutory auditors, since their three years' time after IPO has been completed as per para 2(2) of Bangladesh Securities and Exchange Commission (BSEC) notification No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated: 20 June 2018 and as per para 15(2) of DSE/CSE Listing Regulation. In this reason a new statutory auditor to be appointed for the next year. In the above situation, M/S. Shiraz Khan Basak & Co., Chartered Accountants has given their expression of interest to be appointment as statutory auditors for the year ended June 30, 2021. The above audit firm is enlisted by the Commission and ICAB.

The Audit Committee reviewed the performance of audit acted in the last year and reviews the profile of the new Audit Firms M/S. Shiraz Khan Basak & Co., Chartered Accountants and recommended in favor of M/S. Shiraz Khan Basak & Co., Chartered Accountants, for appointment as Statutory Auditors of the company for the next financial year 2020-2021.

Being eligible as per law, the Board of Directors has concurred with the recommendation of the audit committee to be appointed M/S. Shiraz Khan Basak & Co., Chartered Accountants as Statutory auditors of the Company for the financial year 2020-21 and recommended remuneration of Tk. 200,000.00 (Taka two lac) only subject to approval by the Shareholders in the AGM of the company.





### Compliance Auditors' Appointment

As per Corporate Governance Code 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 2019-2020. M/s. S. R. Islam & Co., Chartered Accountants retire at this AGM. Being eligible as per 'Corporate Governance Code' the existing Auditors offered themselves to be re-appointed as Compliance Auditors for the year 2020-21.

The Board of Directors recommended for the re-appointment of M/s. S. R. Islam & Co., Chartered Accountants as the Compliance Auditors of the Company for the year 2020-2021 and fixing the auditor fees of Tk. 30,000.00 (Thirty Thousand).

### Disclosures from the Directors about Additional Compliance Information

The objective of Corporate Governance is to run the company effectively and legitimately with a sense of accountability and transparency to the Shareholders and the society as a whole. The Company is complying with the "Corporate Governance Code" of Bangladesh Securities and Exchange Commission.

The Board of Directors has confirmed the standard of corporate good governance incorporating the following additional statements (a-p) in the Annual Report:

- (a) The industry outlook and possible future development of the company is stated in the page No. 43 of the Annual Report.
- (b) The information about the segment -wise or product-wise performance is stated in the page No. 44 of the Annual Report.
- (c) The report regarding the utilization IPO proceeds is stated in the page no. 42 of the Annual Report.
- (d) The information about the cost of goods sold, gross profit margin and net profit margin is stated in the page no. 44 of the Annual Report.
- (e) 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, 2020. A statement of remuneration paid to the directors including independent directors is stated in the page no. 111 of the Annual Report.
- (f) The financial statement prepared by the management present fairly the state of affairs of the Company, results of its operations, cash flow and changes of equity.
- (g) The Books of accounts of the Company have been properly maintained as per section 181 of the Companies Act, 1994.
- (h) Principles of accounting have been followed in preparing the statement of accounts and estimates related to accounting have been reasonably and with prudence.
- (i) The internal control system was proper and effective application and monitoring was confirmed.
- (j) The ability of the company as going concern has been proved.
- (k) There have been no remarkable deviations in the operational affairs as compared to the previous year's except the following:

During the year ended 30 June, 2020 the net profit after tax had been decreased compared with the previous year. The above deviations occurred mainly for increase significant amount (Tk. 1,63,35,486.00) of depreciation in this year as against the previous year and a deferred tax benefit incurred during the corresponding previous year which causes the increase of previous year's net profit after tax. Since, the company listed with stock exchanges during the year 2018-2019 and a deferred tax income has arisen Tk. 2,60,62,798.00 due to changes of income tax rate from 35% to 25% for being a listed company in the first time.





- (a) The attendance in Board of Directors meetings has been described in page no. 43 of the Annual Report.
- (b) The Shareholding pattern of the company has been presented in page no. 39-40 of the Annual Report.
- (c) During the financial year 2019-2020, 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.
- (d) Declaration or Certification by the Managing Director and Chief Financial Officer to the Board of Director's as required by the notification of BSEC is disclosed in the page no. 58 of the Annual Report.
- (e) The report of compliance on the Corporate Governance Code audited by Compliance Auditor has been incorporated as per proforma prescribed by BSEC which is shown in "Annexure-B and page no. 59 of Annual Report.

### Relation and Communication with the Shareholders

The Company has been arranging regular Annual General Meetings (AGM) as per Companies Act, 1994 through which Shareholders are informed about the Company's progress, important activities and the development activities undertaken during the year under review. As a result, the shareholders concerned organizations and the people get various information about the company in due time. The Shareholders of the company are able to collect all required information from our share department through land phone, mobile phone, e-mail service and website ([www.silvapharma.com](http://www.silvapharma.com)) as well.

### Recognition and Compliments

The Board of Directors extends its heart felt gratefulness to the Ministry of Health, Directorate General of Drug Administration, respected Doctors, Chemists, Patrons and all concerned with the pharmaceuticals industry for their all-out support to us. The Board of Directors remembers the co-operation of Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchanges Ltd. (DSE) and Chittagong Stock Exchanges Ltd, (CSE) gratefully. The Board thanks the banks and the financial institutions for their support.

The Board of Directors wishes all levels of officers, employees, buyers, consumers, patrons, well-wishers and all concerned for their sincere contribution towards our business success, we are also grateful to our beloved shareholders for their comprehensive support to the company.

The shareholders trustworthiness to the Board of Directors makes them confident and deeply inspired. The management and employees of all levels are committed to uphold this.

May Allah accept all our efforts for the development of our company, Nation and the country at large. We pray to the Almighty Allah for his blessing for continual overall progress and prosperity of our beloved country People's Republic of Bangladesh.

Allah Hafiz

Approved by the Board of Directors and signed on its behalf,

  
Mrs. Silvana Mirza  
Chairman  
Dhaka, 27 October, 2020





## A Management's Discussion and Analysis signed by Managing Director

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 Wa Rahmatullah

I am pleased to present the Statement of the managing director of Silva Pharmaceuticals Limited for the year ended June 30, 2020 on behalf of the management. We acknowledge with gratitude the continued trust and support of our valued shareholders, patrons, physicians, regulatory authorities and the end users of company's products. In this statement, may I take the opportunity to share with you some facts and figures of our company as follows:

As per condition no. 1(5)(xxv) of the corporate governance Code 2018 issued by the BSEC, the management's discussion and analysis representing detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements for the year 2019-2020 among others.

### **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. The details description regarding the issues described in page no. 77-79 of the Annual Report.

### **Changing in accounting policies and estimation, if any:**

During the financial year under review, a remarkable change 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. The details description on the issues is stated in page no. 79 of the Annual Report.

### **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 stated in page no. 37 of the Annual Report.

### **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. It is noted that the industry growth as per IMS report 4.30%; on the other hand the company's national growth is 4.22%.

### ***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. It sustained strong growth in fiscal year 201-2019. The GDP growth rate for 2019-2020 officially estimated 8.2%. 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. Below 10% of the drugs are imported, the remaining above 90% 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.

According to the Bangladesh Export Promotion bureau, Bangladesh exported pharmaceutical products to 147 countries in the fiscal year 2019-2020 of which worth USD \$ 130.00 million as against USD \$ 0.74 million & Euro 0.10 million in 2018-2019.

Considering the above facts and circumstances, we are hopeful that the pharmaceutical market will get new dimension and the compound annual growth will exceed 25% within the year 2025.





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

Efficient and effective Risk management is the integral 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 risks and concerned issues related to the financial statements explaining such risk and mitigation plan thereof is described in the page no. 89-90 of the Annual Report.

**Future Plan**

Dear Shareholders, I am pleased to inform you that in the previous year we were received IPO fund for construction of new factory building and purchase of new machineries. The company is striving for sustainable development. Upon completion of that work and the permission from DGDA, the company is expecting to start commercial operation in new premises and by new machinery within the middle of the year 2022. In the year of coming we are launching market demandable and innovative generics as with diversified dosage form and presentation maintaining cGMP guideline with a competitive strategic marketing plan.

Already we have started a fully knowledge based promotional activity in front of our valuable customer. Meanwhile various steps have taken for expansion of our company, where we have already launched the new division Nutraceuticals and Agroveter 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, customers, suppliers, bankers, the healthcare professionals and our regulatory authorities 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





## Key Financial Highlights

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

### Financial Highlights for the last five Years

| Particulars                                 | Figures in Taka |                    |               |               |                          |
|---|-----------------|--------------------|---------------|---------------|--------------------------|
|   | 2019-2020       | 2018-2019          | 2017-2018     | 2016-2017     | 2015-2016<br>(13 months) |
| <b>Operating Data</b>                       |                 |                    |               |               |                          |
| Turnover                                    | 763,335,406     | 732,450,190        | 685,233,408   | 602,491,592   | 628,766,245              |
| Cost of Goods Sold                          | 464,525,568     | 440,501,039        | 412,239,594   | 365,775,793   | 379,511,010              |
| Gross Profit                                | 298,809,838     | 291,949,151        | 272,993,814   | 236,715,799   | 249,255,235              |
| Operating Profit                            | 145,893,568     | 146,637,810        | 141,963,166   | 124,286,388   | 119,797,759              |
| Net Profit before Tax                       | 159,087,248     | 157,318,884        | 143,876,215   | 123,763,454   | 114,960,883              |
| Net Profit after Tax                        | 118,942,931     | 143,323,416        | 92,993,941    | 80,278,559    | 74,724,574               |
| <b>Statement of Financial Position Data</b> |                 |                    |               |               |                          |
| Authorised Capital                          | 1,500,000,000   | 1,500,000,000      | 1,500,000,000 | 1,500,000,000 | 1,500,000,000            |
| Paid-up Capital                             | 1,365,000,000   | 1,300,000,000      | 1,000,000,000 | 1,000,000,000 | 500,000,000              |
| Reserve and Surplus                         | 833,109,877     | 833,442,946        | 710,561,004   | 647,797,063   | 585,378,504              |
| Shareholders' Equity                        | 2,198,109,877   | 2,133,442,946      | 1,710,561,004 | 1,647,797,063 | 1,085,378,504            |
| Fixed Assets                                | 1,221,249,900   | 1,232,602,338      | 890,460,110   | 706,738,552   | 683,068,654              |
| Other Non-Current Assets                    | 144,676,935     | 8,600,000          | 197,776,597   | 136,990,677   | 118,899,395              |
| Total Non-Current Assets                    | 1,365,926,835   | 1,241,202,338      | 1,088,236,707 | 843,729,229   | 801,968,049              |
| Current Assets                              | 1,090,279,961   | 1,060,520,369      | 913,520,356   | 1,097,434,352 | 836,930,943              |
| Total Assets                                | 2,456,206,796   | 2,301,722,707      | 2,001,757,063 | 1,941,163,581 | 1,638,898,992            |
| Non-Current Liabilities                     | 98,260,873      | 78,520,043         | 91,219,792    | 86,031,226    | 175,310,350              |
| Current Liabilities                         | 159,836,046     | 89,759,718         | 199,976,267   | 207,335,292   | 224,210,138              |
| Total Liabilities                           | 258,096,919     | 168,279,761        | 291,196,059   | 293,366,518   | 399,520,488              |
| <b>Financial Ratios</b>                     |                 |                    |               |               |                          |
| Gross Profit Ratios (%)                     | 39.15%          | 39.86%             | 39.84%        | 39.29%        | 39.64%                   |
| Operating Income Ratio (%)                  | 19.11%          | 20.02%             | 20.72%        | 20.63%        | 24.90%                   |
| Net Income Ratio (%)                        | 15.58%          | 19.57%             | 13.57%        | 13.32%        | 11.88%                   |
| Debt-Equity Ratio (Times)                   | 0.12            | 0.08               | 0.17          | 0.18          | 0.21                     |
| Return on Equity Ratio (%)                  | 5.41%           | 6.72%              | 5.44%         | 4.87%         | 8.71%                    |
| Current Ratio (Times)                       | 6.82            | 11.82              | 4.57          | 5.29          | 3.73                     |
| <b>Other Data</b>                           |                 |                    |               |               |                          |
| Number of Shares                            | 136,500,000     | 130,000,000        | 100,000,000   | 100,000,000   | 50,000,000               |
| Equity per Share                            | 16.10           | 15.63              | 17.11         | 16.48         | 21.71                    |
| Net Asset Value per share (NAV)             | 16.10           | 15.63              | 17.11         | 16.48         | 21.71                    |
| Earnings Per Share (Basic EPS)              | 0.87            | 1.05               | 0.93          | 1.03          | 1.24                     |
| Net Operating Cash Flow Per Share (NOCFPS)  | 1.10            | 1.39               | 1.34          | 1.03          | 1.48                     |
| Dividend per share                          | 5% Cash         | 6% Cash & 5% Stock | Nil           | Nil           | 5% (C)                   |
| Number of Shareholders                      | 6,962           | 6,566              | 89            | 70            | 41                       |
| Face Value per share                        | 10.00           | 10.00              | 10.00         | 10.00         | 10.00                    |
| Number of Employees                         | 914             | 1,018              | 1,082         | 1,034         | 1,034                    |





## Shareholders' Information 2019-20

For the year ended 30<sup>th</sup> June, 2020

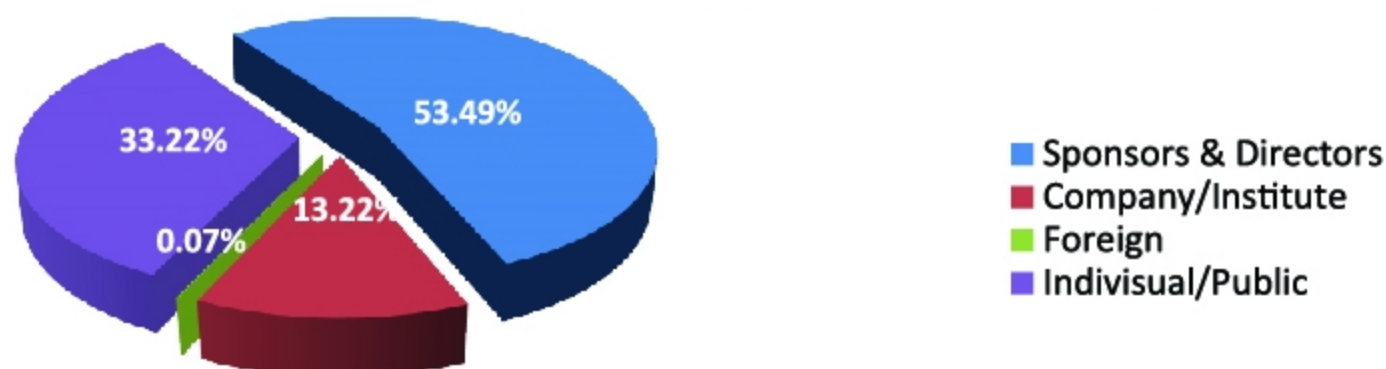
|                    |                                  |
|--------------------|----------------------------------|
| Authorized Capital | : Tk. 1,500,000,000              |
| Paid-up Capital    | : Tk. 1,365,000,000              |
| No. of Shares      | : 136,500,000                    |
| Class of Shares    | : Ordinary Shares of Tk. 10 each |
| Voting Right       | : One Vote per Ordinary Share    |
| Market Category    | : A                              |

**Redressed of investor's complain:** During the year under review, the complaints received from the Shareholders have duly been addressed and resolved accordingly.

### Stock Exchange Listing

The issued Ordinary shares of Silva Pharmaceuticals Limited are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

### Status of Shareholdings - 2020 (June)



|                      |            |        |
|----------------------|------------|--------|
| Sponsors & Directors | 73,017,000 | 53.49% |
| Company/Institute    | 18,050,581 | 13.22% |
| Foreign              | 91,550     | 0.07%  |
| Individual/Public    | 45,340,869 | 33.22% |

In Pursuance of BSEC Notification No. SEC/CMRRCD/2008-183/Admin/03-34 dated 27-09-2009 the Quarterly Reports are given below:-

### Quarterly Results

During the year 2019-20 operational results of the Company were announced on-

|                      |                    |
|----------------------|--------------------|
| First Quarter Report | : 13 November 2019 |
| Half Yearly Report   | : 29 January 2020  |
| Third Quarter Report | : 2 July 2020      |

### Dividend : Financial Year 2018-19

|   |                   |
|---|-------------------|
| Board Meeting for the Year 2018-19                                      | 16 October 2019   |
| Record Date for the Year 2018-19  | 06 November 2019  |
| 18 <sup>th</sup> Annual General Meeting for the Year 2018-19            | 25 November 2019  |
| Commencement of Cash Dividend Warrant Distribution for the Year 2018-19 | 22 December, 2019 |
| Completion of Cash Dividend Warrant Distribution for the Year 2018-19   | 06 January, 2020  |

## Pattern of Shareholdings

### A report on the pattern of shareholding as on 30 June 2020 disclosing the aggregate number of shares (along with name wise details) held by:-

A report on the pattern of shareholding as on 30 June 2020 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, 2020. 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                              | 30,55,500             | 02.24%         |
| 02.     | Dr. Saira Khan, MBBS, DCH, FCPS.                                       | Managing Director                     | 73,18,500             | 05.36%         |
| 03.     | Mrs. Samina Mirza  | Director                              | 30,55,500             | 02.24%         |
| 04.     | Mrs. Farhana Mirza   | Director                              | 30,55,500             | 02.24%         |
| 05.     | Mr. Nazrul Islam (Nominated by ICB)                                    | Director                              | 3,15,00,000           | 23.08%         |
| 06.     | Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.) | Director                              | 53,44,500             | 03.92%         |
| 07.     | Mr. Md. Musfiqur Rahman, FCA, Independent Director                     | Independent Director                  | Nil                   | Nil            |
| 08.     | Muhamammad Moniruzzaman, FCA, Independent Director                     | Independent Director                  | Nil                   | Nil            |
| 09.     | Md. Iqbal Hossain  | Company Secretary                     | 1,15,500              | 00.08%         |
| 10.     | Md. Abul Kasem   | Chief Financial Officer               | Nil                   | Nil            |
| 11.     | Khurshid Ahmed Siddique  | Head of Internal Audit and Compliance | 37,890                | 0.03%          |
| 12.     | A R Hassan Mirza   | Spouses of Managing Director          | 51,97,500             | 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 Hossain 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 | 3,15,00,000           | 23.08%         |

**Composition of Shareholding Position**

| Sl. No.      | Name of the Shareholders   | Status              | Number of Shares Held | Percentage (%) |
|--------------|--|---------------------|-----------------------|----------------|
| 01.          | Mrs. Silvana Mirza   | Chairman            | 30,55,500             | 02.24%         |
| 02.          | Dr. Saira Khan, MBBS, DCH, FCPS.                                       | Managing Director   | 73,18,500             | 05.36%         |
| 03.          | Mrs. Samina Mirza  | Director            | 30,55,500             | 02.24%         |
| 04.          | Mrs. Farhana Mirza   | Director            | 30,55,500             | 02.24%         |
| 05.          | Mr. Nazrul Islam Khan (Nominated by ICB)                               | Director            | 3,15,00,000           | 23.07%         |
| 06.          | Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.) | Director            | 53,44,500             | 03.91%         |
| 07.          | Md. Anwar Mirza  | Sponsor Shareholder | 50,92,500             | 3.73%          |
| 08.          | Mrs. Sajeda Mirza  | Sponsor Shareholder | 51,97,500             | 3.81%          |
| 09.          | Dr. Shibli Mirza   | Sponsor Shareholder | 42,00,000             | 3.08%          |
| 10.          | A R Hassan Mirza   | Sponsor Shareholder | 51,97,500             | 3.81%          |
| 11.          | Institute  | Shareholder         | 1,80,50,581           | 13.22%         |
| 12.          | Foreign  | Shareholder         | 91,550                | 0.07%          |
| 13.          | General Public   | Shareholder         | 4,53,40,869           | 33.22%         |
| <b>Total</b> |  |                     | <b>13,65,00,000</b>   | <b>100.00%</b> |

## Utilization & Time Extension of Use of IPO Proceeds

### STATEMENT OF UTILIZATION OF PROCEEDS ROSE 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 the 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 (Kowran Bazar Branch) | 99,000,000         |
| 04  | IPO expenses   | 22,500,000         |
|     | <b>Total</b>   | <b>300,000,000</b> |

The status of IPO proceeds as on 30 June, 2020 are given below:

| Purpose of IPO Fund Utilization | Estimated Amount as per Prospectus | Estimated Amount as per 18 <sup>th</sup> AGM | Amount used up to 30 June, 2020 | Un-Utilized Amount of IPO Fund |
|---------------------------------|------------------------------------|--|---------------------------------|--------------------------------|
| IPO Expenses                    | 22,500,000                         | 20,441,474                                   | 20,441,474                      | -                              |
| Civil Construction              | 56,000,000                         | 58,058,526                                   | 60,532,650                      | (2,474,124)                    |
| Machinery & Equipment           | 122,500,000                        | 122,500,000                                  | 24,999,020                      | 97,500,980                     |
| Payment of Term Loan            | 99,000,000                         | 99,000,000                                   | 99,000,000                      | -                              |
| <b>TOTAL</b>                    | <b>300,000,000</b>                 | <b>300,000,000</b>                           | <b>204,973,144</b>              | <b>97,500,980</b>              |

### **The progress of utilization of IPO Proceeds**

Utilization of IPO Fund already utilized 67.50% amount which includes 100% of IPO Expenses, Payment of Term Loan and Civil Construction and 20% of Machinery & Equipment. 100% used of IPO Expenses, Payment of Term Loan and Civil Construction of IPO funds within its stipulated time as approved by the Shareholders in the last AGM. Using the fund, SPL has built two-storied building at factory premises and installed new capital machineries. Process of built two-storied building and installed new capital machineries is going on. We expect to complete the whole procedures within the next 12 to 15 months.

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

In the year 2018-2019 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 10<sup>th</sup> 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; this has been fully explained in the page no.-13 under the head of Financial Highlights for last 5 years.





### TIME EXTENTION FOR UTILIZATION OF IPO PROCEEDS

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) and duly traded from 10 October 2018 in the DSE and 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 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         |
|     | <b>Total</b>  | <b>300,000,000</b> |

### Proposed Time Extension of IPO Proceeds utilization:

Out of above mentioned work we already use fully repayment of term loan, IPO Expenses and civil construction of new factory building. The company utilized Tk. 2,49,99,02.00 out of TK. 12,25,00,000.00 in account of Acquisition of brand new machinery and equipment and Tk. 9,75,00,980.00 was remain unutilized as on 31 October, 2020. As per prospectus of the company the IPO proceeds has to be completed within 10 April, 2020 and we already extended the time up to 09 October, 2020 which was approved by the Shareholders in the last AGM. Due to COVID-19 pandemic situation, all over the country was lock-down from March 26 to May 30, 2020 and after May 30 our factory area i.e. Noakhali was affected seriously and further, the local authority was lock-down by two steps in about 40 days. In the above situation, the construction works of factory was hampered seriously. For this reason, the management could not complete the utilization of IPO fund regarding the acquisition of machinery & equipment in due time fully. In this situation, considering the greater interest of the shareholders and due to upcoming pandemic awareness situation, the board of directors of the company in its 85<sup>th</sup> meeting held on 27 October, 2020 recommend to lengthen the IPO fund utilization's due time up to **31 December, 2022** for utilization of entire amount of IPO fund subject to the approval from the shareholders in its 19<sup>th</sup> Annual General Meeting (AGM) and necessary intimation to the Commission and Exchanges.



## Attendance of Board Meeting

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

### Attendance at Board Meeting:

During the year ended 30 June, 2020 the Board of Directors held **05(Five)** meetings. Directors who attended the Board meeting are shown below:

| <b>Name of Directors Attended</b>                                      | <b>Position</b>      | <b>Attended</b> |
|--|----------------------|-----------------|
| Mrs. Silvana Mirza   | Chairman             | 05              |
| Dr. Saira Khan, MBBS, DCH, FCPS.                                       | Managing Director    | 05              |
| Mrs. Samina Mirza  | Director             | 05              |
| Mrs. Farhana Mirza   | Director             | 05              |
| Mr. Nazrul Islam Khan (Nominated by ICB)                               | Director             | 04              |
| Mr. Md. Nazrul Islam (Nominated by ICB)                                | Director             | 01              |
| Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.) | Director             | 05              |
| Mr. Md. Musfiqur Rahman, FCA,  | Independent Director | 05              |
| Mr. Muhammad Moniruzzaman, FCA,  | Independent Director | 02              |
| Tanha Zarrin Ahmed, Bar-at-Law,  | Independent Director | 01              |

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

### In Attendance

|                             |                                     |    |
|-----------------------------|-------------------------------------|----|
| Mr. Md. Iqbal Hossain       | Company Secretary                   | 05 |
| Mr. Md. Abul Kasem          | Chief Financial Officer             | 05 |
| Mr. Khurshid Ahmed Siddique | Head of Internal Audit & Compliance | 05 |

### 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 or Product wise Performance:

No geographical segment reporting is applicable for the company as required by IFRS 08: Operating Segments, as the company operates in a single geographical area and has a single business line of product i.e. manufacturing and selling of medicine.

### Product wise sales performances are given below:

| Name of Item | Quantity (Pcs/PHs)          |                             | Amount in Taka              |                             |
|--------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|              | 01/07/2019 to<br>30/06/2020 | 01/07/2018 to<br>30/06/2019 | 01/07/2019 to<br>30/06/2020 | 01/07/2018 to<br>30/06/2019 |
| Tablet       | 126,282,745                 | 125,337,499                 | 435,928,036                 | 423,368,957                 |
| Capsule      | 36,768,562                  | 35,010,175                  | 241,975,160                 | 228,112,147                 |
| Liquid       | 1,441,170                   | 1,425,234                   | 66,146,829                  | 61,709,463                  |
| Dry Syrup    | 215,316                     | 209,953                     | 19,285,381                  | 19,259,623                  |
| <b>Total</b> | <b>164,707,793</b>          | <b>161,982,861</b>          | <b>763,335,406</b>          | <b>732,450,190</b>          |

However, product wise capacity utilization is given in note no. 32.05 of the Financial Statements.

### 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. 464.53 million (60.85% of Sales) as compared to last year's cost of goods sold of Tk. 440.50 million (60.14% of Sales). This is due to proper utilization of production capacity, use of new infrastructure facilities and good management policies for constant of the overall manufacturing overhead cost.

#### Gross Profit:

Gross profit earned during the year was Tk. 298.81 million as against last year's gross profit of Tk. 291.95 million. Gross profit increase due to increase of sales volume compared to last year.

#### Net Profit/ (Loss):

The company earned net profit during the year amounting to Tk. 118.94 million as compared to last year's net profit of Tk. 143.32 million. The Net profit decrease significantly due to deferred tax income arisen during the last year as a result of 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.





## Report of the Audit Committee

Bismillahir Rahmanir Rahim

Dear Shareholder(s),

Assalamu Alaikum Wa Rahmatullah

The Audit Committee is a statutory Committee of the company. The Committee acts as a sub-committee of the Board of Directors of Silva Pharmaceuticals Limited and is responsible to oversee the financial reporting process. The committee assists the board for ensuring that the financial statements reflect a true and fair view of the state of affairs of the company and good governance system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing. The Committee is considered the overseer of the company's for protecting interest of the stakeholders.

### Composition of Audit 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. Mrs. Samina Mirza and Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.) are another two non-executive directors also a member of the Committee. Md. Iqbal Hossain, the company secretary acts as the secretary of the committee, who is responsible for effective implementation of action plans approved in the meeting. All the members of the committee have business acumen and are knowledgeable individuals with integrity who are able to ensure compliance with financial, regulatory and corporate laws.

### Meeting and Attendance of the Audit Committee

The Audit Committee held four meetings during the year. Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) always attended the meeting on invitation to meet instant queries of the Audit Committee. The number of Audit Committee meetings held and the attendance by each member during the year 2019-2020 are given as follows:

| Name of Member   | Designation          | Position in the Committee | Number of meetings held while a member | 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                     |





### Role of the Audit Committee

The role of the Audit Committee has been defined in line with the relevant provision of the Corporate Governance Code issued by the BSEC, which are given below:

The Audit Committee shall:

- (a) Oversee the financial reporting process;
- (b) Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance report;
- (c) Monitor choice of accounting policies and principles;
- (d) Oversee hiring and performance of external auditors;
- (e) Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for adoption;
- (f) Review along with the management , the annual financial statements before submission to the board for approval;
- (g) Review along with the management , the half-yearly and quarterly financial statements before submission to the board for approval;
- (h) Review statement of all related party transactions submitted by the management;
- (i) Review the Management Letters issued by the external auditor;
- (j) Review utilization of fund raised through IPO by the company;
- (k) Review the Management's discussion and analysis before disclosing in the annual report;
- (l) Review the adequacy of Internal Audit and compliance function; and
- (m) Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

### Internal Audit and Compliance

The Audit Committee oversight of the performance, adequacy and effectiveness of internal audit function and compliance process to make sure that the internal audit and compliance process is adequately resourced and review of their report stating major findings of the internal investigations and management response and where necessary, making sure that the appropriate actions are taken.

### Financial Reporting

The Audit Committee reviewed the following regarding Financial Statements:

The quarterly, half-yearly and annual financial statements of the company reviewed prior to submission to the board of directors for approval to ensure the financial reporting and disclosures made in compliance with the relevant laws.

Meeting with the management on quarterly financial statements and with the statutory auditors on the annual financial statements and upon satisfaction of the review, recommendation of the same statements to the Board for approval prior to their publication.



## Reporting to the Shareholders and Other Related Parties

The Audit Committee reports to the shareholders and other related parties on annual basis by means of presenting a summary of its activities in the form of 'Audit Committee Report'. During the year under review, the committee met 4(Four) times to discharge its duties and responsibilities and accordingly forwarded their reports to the Board. The Board is of the view that there was no other issue having significant material impact on the company's financial statements which needed to be disclosed to the board or regulatory authorities.

## External Auditor

The Audit Committee reviewed the external auditors audit plan, including its nature and scope, audit report and coordination between internal and external auditors.

The Audit Committee reviews the findings and recommendation made by the external auditors for removal of recurrence irregularities.

The Audit Committee has recommended the board to appoint new external auditors' in place of existing Auditor M/s Mahfel Huq & Co. Chartered Accountants. The existing auditor has completed his successful three years tenure after IPO. In this situation a new statutory auditor to be appointed for the next year. That's why; Mr. Bhudhar Chakraborty FCA, Partner Shiraz Khan Basak & Co., Chartered Accountants express his interest and duly offered to the company to audit of the company for the year ended June 30, 2021. The above audit firm is duly enlisted by the Commission and ICAB. Based on the evaluation the Committee has recommended the Board to appoint new external auditors of the company M/S Shiraz Khan Basak & Co., Chartered Accountants for the year 2020-2021.

The Audit Committee expressed their sincere thanks to all members of Board, team of internal audit, team of accounts & finance and management of the company for their good support.

On behalf of the Audit Committee

**Md. Musfiqur Rahman FCA**

Chairman,

Audit Committee

Dhaka, 27 October, 2020



## Report on the Nomination & Remuneration Committee (NRC)

The Nomination & Remuneration Committee (NRC) is working as per the requirements the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) issued on 03 June, 2018. The NRC assists the board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors/Executive Directors and above hierarchy. The NRC also assists the board to formulate policy for formal and continued process of considering remuneration/honorarium of directors, executive directors and above.

The statement of Nomination and Remuneration Committee is prepared following the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). This report covers nomination and remuneration policies, evaluation criteria and activities of the NRC.

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:

### 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 Nomination & Remuneration Committee is constituted comprising are the following members:

| Sl. No. | Members   | Status with the committee | Status with the Board              |
|---------|---|---------------------------|------------------------------------|
| 1       | Mr. Muhammad Moniruzzaman, FCA  | 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                  |

### Overview of the Nomination and Remuneration Policies

The company follow the nomination and remuneration policies and the benchmark of which pursuing the business code of conduct and standards perceptible in the market context and appropriate to meet the present and future needs of the company.

The broad criteria in this respect for the Executive Directors and above hierarchy of the company are as follows:

#### (a) Nomination Criteria

- i. The company policies as well as guidelines and applicable laws and regulations for the company;
- ii. A prescribed selection process that is transparent in all respects;
- iii. Following a process which is compatible to the recognized standards and the best practices;
- iv. Distinguishing the core competencies of the respective personnel for the different level of management and employees of the company; and
- v. Follow diversity in age, maturity, qualification, expertise and gender disciplines.



**(a) Recruitment and Selection Standards**

The outline of the company needs for the employees at different level, as determined by the management. The recruitment and selection of executive directors and above of the company are made according to the following core guiding principles:

**Executive Directors and above Level:** The candidate(s) for Executive Director(s) are listed based on the set criteria of BSEC and Service Rules of the company. The board of directors appoints executive director(s) and above, upon nomination and recommendation of the NRC.

**Independent Director:** The Independent Directors shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business.

The Independent Director should have competence of the relevant sector in which company operates and necessarily should have the qualifications as required by the Code of Corporate Governance issued by the BSEC. The board of directors appoints independent directors upon nomination and recommendation of the NRC, which is then approved by the shareholders in the Annual General Meeting of the company.

**(b) Remuneration Criteria**

The key features of the Remuneration criteria are recommended by the NRC are as follows:

- i. The structure, scale and composition of remuneration/honorarium are reasonably considered based on the Company's Policies and Guidelines set by the Board of Directors to attract, retain and motivate the higher level executives/executive directors to run the company efficiently and successfully;
- ii. The context of packages, including remuneration/benefit is categorically laid down which meets the appropriate performance benchmarks as per the Company's Policies and Guidelines ratified by the board as and when required;
- iii. The NRC recommends board meeting attendance fees, honorarium, including incidental expenses, if any; and
- iv. No member of the NRC is allowed to receive, either directly or indirectly, any remuneration for any advisory consultancy role or otherwise, other than board meeting and board's sub-committee meetings attendance fees from the company.

**(c) Evaluation Criteria**

**Executive Directors and above Level Executives:** The respective line authority of the Executive Directors and above sets the performance measurement criteria based on the role profile and responsibilities through the company's annual appraisal policy at a certain time of each calendar year.

**Independent Director:**

The evaluation of performance of the independent directors is to be carried out according to the criteria of attendance and participation at the board meetings, committee meetings; and contribution to the improvement of the corporate governance practices of the company.

**Activity Summary of the Nomination and Remuneration Committee during the year**

During the year 2019-2020 the committee met once. The Committee noted the Nomination and Remuneration initiatives ensuring the standards and compliance accordingly. The activities of the NRC during the year were as follows:





- I. Consider the Terms of Reference (ToR) of NRC, as approved by the Board of Directors;
- II. Formulate a policy relating to the remuneration of the directors and top level Executives of the company;
- III. Formulate the criteria for determining qualifications, positive attributes and independence of the directors;
- IV. Formulate the criteria for evaluation of performance of Independent directors; and
- V. Adopt a code of conduct for the chairman, directors and top level executives of the company.

On behalf of the Nomination & Remuneration Committee

**Muhammad Moniruzzaman, FCA**

Chairman

Nomination & Remuneration Committee (NRC)

Dhaka, 27 October, 2020

## Our Principal Products

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.

### Antiulcerant

## Esosil<sup>®</sup> 20

Esomeprazole 20 mg  
Capsule



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



## Omesil<sup>®</sup>

Omeprazole 20 mg  
Capsule



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

## Pantosil<sup>®</sup>

Pantoprazole 20 mg  
Tablet



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

### Antiemetic & Antispasmodic

## Devomit<sup>®</sup>

Metizine Hydrochloride 25 mg &  
Pyridoxine Hydrochloride 50 mg



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

## Timem<sup>®</sup>

Tiemonium Methylsulphate INN 50 mg



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



**Antibacterial**

**Sicef<sup>®</sup>**  
 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<sup>®</sup>**  
 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<sup>®</sup>**  
 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<sup>®</sup>**  
 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<sup>®</sup> GFS**  
 Azithromycin 200 mg/5 ml

Right choice in Typhoid Fever & Respiratory Tract infections.

Banana Flavour



**Cipronil<sup>®</sup> PFS**  
 Ciprofloxacin 250mg/5ml

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

Strawberry Flavour







**Analgesic and Antipyretic**

**Duet<sup>®</sup>**

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**  
Aceclofenac 100 mg



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

**Torolac<sup>®</sup>**  
Ketorolac 10 mg  
Tablet



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

**Allergy, Cough and Cold:**

**Aerofen**  
Ketotifen Fumerate 100 ml syp.



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

**Ambosil<sup>®</sup>**  
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<sup>®</sup>**  
Multivitamin & Multimineral Syrup



**Multitonic<sup>®</sup>** syrup has excellent taste with Mango flavor that ensures compliance to all aged people including children.

*Rx in*

- 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<sup>®</sup>**

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<sup>®</sup> PLUS**

Calcium 500 mg &  
Vitamin D<sub>3</sub> 200 I.U.  
Tablet



- Synergistic combination for strong bone structure
- Vitamin D<sub>3</sub> increases absorption of calcium
- Prevents Osteoporosis & bone fracture

**Alvital<sup>®</sup>**  
Super Anti-oxidant vitamin plus  
Multimineral Tablet



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

**MutiGold**  
32 Multivitamin-Multimineral

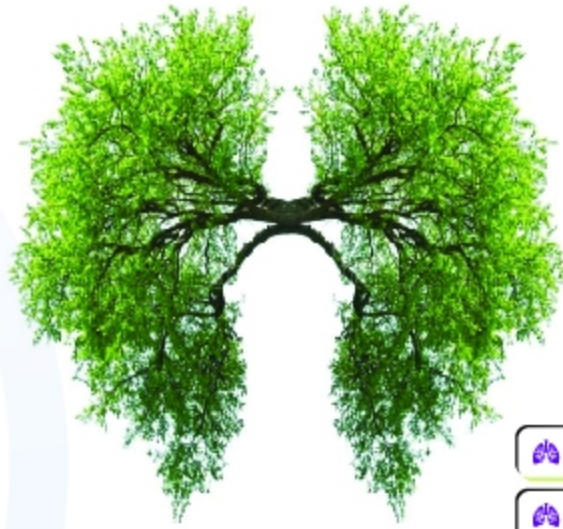


- Enhances immune system
- Provides energy and growth
- Strengthens the body





## Habits To Keep Your Lungs Healthy



**Silmon<sup>®</sup> 10**  
Montelukast 10 mg Tablet



- Reduces the bronchoconstriction.<sup>1</sup>
- Controls both early & late phase of allergic rhinitis.<sup>2</sup>
- Prevents exercise-induced bronchospasm.<sup>1</sup>
- Improves symptoms & pulmonary function when added with ICS.<sup>1</sup>
- Well tolerated with a safety profile for both adult & pediatric patients.<sup>1</sup>

Rx

**Silmon<sup>®</sup> 10**

For long lasting control of Allergic Rhinitis & Asthma.

## Freedom from Allergic Rhinitis & Asthma...

## 24 hours non-drowsy allergy relief



**Sifena<sup>®</sup> 120**  
Fexofenadine Hydrochloride USP 120 mg



Rx.

- Seasonal Allergic Rhinitis
- Perennial Allergic Rhinitis
- Chronic Idiopathic Urticaria
- Allergen-Induced wheal-and-flare

Ref: J Investig Allergol Clin Immunol 2006; Vol. 16, Supplement 1:3-12  
Suzanne G. Meeves and Sireesh Appajayula; Efficacy & safety profile of fexofenadine HCl.  
Simons FE. Advances in H1-antihistamines. N Engl J Med. 2004; 18:2203-17

## Feel free from Allergic Symptoms





## 18 th Annual General Meeting



The 18<sup>th</sup> Annual General Meeting of the Silva Pharmaceuticals Limited was held on 25 November, 2019 at White Hall Convention Center, Dhanmondi, Dhaka-1209. A good number of shareholders attend the AGM. Ms. Silvana Mirza Chairman of the Board presided over the meeting. After recitation from the holy Quran, the Annual General Meeting was started by the welcome address to the shareholders by the Chairman.

The Annual General Meeting is a forum through which the shareholders are informed of company's activities and progress. The Chairman of the meeting invited comments of Directors' Report and Audited Financial Statements for the year ended 30 June, 2019. The Shareholders expressed their views on the important activities of the company, its success and progress in the competitive markets.

The Managing Director Dr. Saira Khan thanked the shareholders for their constructive suggestions for the sustainable improvement of the company. Strategies and future vision of the company had also been discussed. Shareholders put up valuable recommendations which were discussed and scrutinized in the subsequent board meeting and proper actions in this respect had duly been taken. The meeting approved 06% Cash Dividend for all shareholders excluding sponsors and directors (except ICB) and 05% Stock Dividend for all shareholders as against per share of Tk. 10/- each for the year 2018-2019.



Certificate of BAPLC

**BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES**

Ref. No: GM-2020/267

Date of issue : November 12, 2020



**Renewed Certificate**

*This is to certify that*

**SILVA PHARMACEUTICALS LIMITED**

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.*

*This certificate remains current until 31<sup>st</sup> December 2020.*



  
Secretary-General



## MD & CFO's Declaration to the Board

### Annexure-A

**Silva Pharmaceuticals Limited**  
**Declaration by Managing Director and Chief Financial Officer**  
**[As per condition No. 1(5)(xxvi)]**

October 27, 2020  
 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, 2020.**

Dear Sirs,

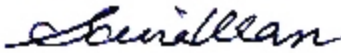
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Silva Pharmaceuticals Limited for the year ended on June 30, 2020 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, 2020 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)



## Certificate of Corporate Governance Code

### Annexure-B



**S.R. ISLAM & CO.**  
Chartered Accountants

3B, Purana Paltan, Navana Mukhles Monarch  
Shopping Complex (2nd Floor), Suite No. (301  
302 & 305), Dhaka, Phone : +88-02-57160573-4  
Cell : 01814 644444, 01670 044444, 01964 888111

### 'COMPLIANCE REPORT'

[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, 2020. 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:

- 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;
- 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;
- 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
- The Governance of the company is highly satisfactory.

Place: Dhaka  
Dated: October 27, 2020

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

E-mail : [srislamnco@gmail.com](mailto:srislamnco@gmail.com), [audit\\_bg@yahoo.com](mailto:audit_bg@yahoo.com), Web : [www.srislam.com](http://www.srislam.com)



## Compliance Status of Corporate Governance Code

## Annexure-C

S.R. Islam & Co.  
Chartered Accountants

## Compliance status on Corporate Governance Code of BSEC

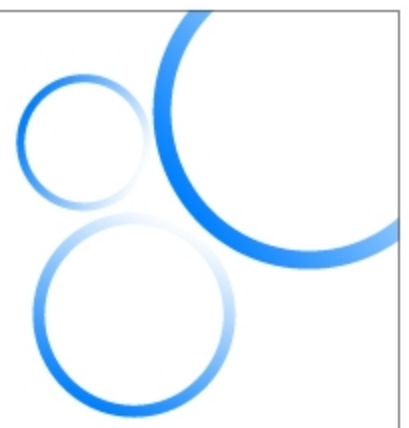
[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/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          | <b>BOARD OF DIRECTORS</b>  |                   |              |                  |
| 1(1)          | Size of the Board of Directors   | √                 |              |                  |
| 1(2)          | <b>INDEPENDENT DIRECTORS</b>   |                   |              |                  |
| 1(2)(a)       | At least 1/5 <sup>th</sup> 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 share | √                 |              |                  |
| 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 (NBFI).   | √                 |              |                  |
| 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)          | <b>QUALIFICATION OF INDEPENDENT DIRECTOR</b>   |                   |              |                  |
| 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   | Not Applicable    |              |                  |





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| 1(3)(b)(i)   | 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 | √                              |  |  |
| 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  | Not Applicable                 |  |  |
| 1(3)(b)(iv)  | University Teacher who has educational background in Economics or Commerce or Business Studies or Law  | Not Applicable                 |  |  |
| 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   | Not Applicable                 |  |  |
| 1(4)         | <b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>   |                                |  |  |
| 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  | No such situation was occurred |  |  |
| 1(5)         | <b>The Directors Report to Shareholders</b>  |                                |  |  |
| 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.   | √                              |  |  |



|                    |   |                |  |  |
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| 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.  | Not Applicable |  |  |
| 1(5)(xxi)          | Effect that no bonus shares or stock dividend has been declared as interim dividend   | Not Applicable |  |  |
| 1(5)(xxii)         | The number of Board meetings held during the year and attendance by each director shall be disclosed.   | √              |  |  |
| <b>1(5)(xxiii)</b> | <b>The Pattern of shareholding:</b>   |                |  |  |
| 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(xxi)b);   | √              |  |  |
| 1(5)(xxiii)(d)     | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).  | √              |  |  |
| <b>1(5)(xxiv)</b>  | <b>Appointment or re-appointment of a director</b>  |                |  |  |
| 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.   | √              |  |  |
| <b>1(5)(xxv)</b>   | <b>Management discussion and analysis of financial statements</b>   |                |  |  |
| 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 | √              |  |  |





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| 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  | √  |  |                               |
| <b>1(7)</b>  | <b>Code of conduct for the Chairperson, other Board members and Chief Executive Officer</b>   |  |  |                               |
| 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  | √  |  |                               |
| <b>2.00</b>  | <b>Governance of Board of Directors of Subsidiary Company</b>   | <b>The Company has no Subsidiary Company</b> |  |                               |
| 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                           |
| <b>3.00</b>  | <b>Managing Director(MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b> |  |  |                               |
| <b>3(1)</b>  | <b>Appointment</b>  |  |  |                               |
| 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  |  |  | No such situation is observed |





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| 3(2)           | The MD or CEO, CS, CFO and HIAC shall attend the meeting of the Board of Directors'   | √ |  |                               |
| <b>3(3)</b>    | <b>Duties of MD or CEO and CFO</b>  |   |  |                               |
| <b>3(3)(a)</b> | <b>Certified by MD and CFO that they have reviewed financial statements and that to the best of their knowledge and belief:</b>   |   |  |                               |
| 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  | √ |  |                               |
| <b>4.00</b>    | <b>BOARD OF DIRECTORS' COMMITTEE</b>  |   |  |                               |
| 4(i)           | Audit Committee   | √ |  |                               |
| 4(ii)          | Nomination and Remuneration Committee   | √ |  |                               |
| <b>5.00</b>    | <b>Audit Committee</b>  |   |  |                               |
| <b>5(1)</b>    | <b>Responsibility to the Board of Directors</b>   |   |  |                               |
| 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  | √ |  |                               |
| <b>5(2)</b>    | <b>Constitution of the Audit Committee</b>  |   |  |                               |
| 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  | √ |  | No such situation is observed |
| 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.   | √ |  |                               |
| <b>5(3)</b>    | <b>Chairperson of the Audit Committee</b>   |   |  |                               |
| 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).   | √ |  |                               |





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| <b>5(4)</b>    | <b>Meeting of the Audit Committee</b>  |      |  |                         |
| 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  | √    |  |                         |
| <b>5(5)</b>    | <b>Role of Audit Committee</b>   |      |  |                         |
| 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. | √    |  |                         |
| <b>5(6)</b>    | <b>Reporting of the Audit Committee</b>  |      |  |                         |
| <b>5(6)(a)</b> | <b>Reporting to the Board of Directors.</b>  |      |  |                         |
| 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.  | None |  | There was no such issue |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect in the internal control system;   | None |  | There was no such issue |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, including securities related laws, rules and regulations;  | None |  | There was no such issue |
| 5(6)(a)(ii)(d) | Any other matter which shall be disclosed to the Board of Directors immediately.   | √    |  |                         |





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| 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. | None |  | There was no such issue |
| 5(7)        | Reporting of activities of the Audit Committee to the Shareholders and General Investors.   | √    |  |                         |
| <b>6.00</b> | <b>Nomination and Remuneration Committee (NRC)</b>  |      |  |                         |
| <b>6(1)</b> | <b>Responsibility to the Board of Directors'</b>  |      |  |                         |
| 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)  | √    |  |                         |
| <b>6(2)</b> | <b>Constitution of the NRC</b>  |      |  |                         |
| 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  | None |  |                         |
| 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  | √    |  |                         |
| <b>6(3)</b> | <b>Chairperson of the NRC</b>   |      |  |                         |
| 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  | √    |  |                         |





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| 6(3)(c)       | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders  | √ |  |  |
| <b>6(4)</b>   | <b>Meeting of the NRC</b>   |   |  |  |
| 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  | √ |  |  |
| <b>6(5)</b>   | <b>Role of the NRC</b>  |   |  |  |
| 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   | √ |  |  |
| <b>7.00</b>   | <b>External/Statutory Auditors.</b>   |   |  |  |
| <b>7(1)</b>   | <b>The issuer company shall not engage its external or statutory auditors' to perform the following services of the company, namely:-</b>   |   |  |  |
| 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;   | √ |  |  |



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| 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  | √ |  |  |
| <b>8.00</b> | <b><i>Maintaining a website by the Company</i></b>  |   |  |  |
| 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  | √ |  |  |
| <b>9.00</b> | <b><i>Reporting and Compliance of Corporate Governance</i></b>  |   |  |  |
| 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.   | √ |  |  |



# Auditor's Report to the Shareholders



**Mahfel Huq & Co.**  
Chartered Accountants  
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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## 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 statements of Silva Pharmaceuticals Limited ("the Company"), which comprise the statement of financial position as at 30 June 2020, 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 statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2020, 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 Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Risks  | Our response to the risks   |
|--|---|
| <b>Revenue recognition</b>   |   |
| <p>At year end the company reported total revenue of BDT 763,335,406 (2018-19: BDT 732,450,190). Revenue is measured at contact value. Sales income is the major source of income for the company. Therefore, there is a risk of revenue being misstated.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation and 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"> <li>• Check controls over taking sales order;</li> <li>• Segregation of duties in invoice creation and modification; and</li> <li>• Timing of revenue recognition.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• Obtaining supporting documentation for sales transactions recorded either side of year end to determine whether revenue was recognized in the correct period;</li> <li>• Cross match sales order, sales invoices and</li> </ul> |

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| Risks   | Our response to the risks   |
|---|---|
|   | dispatch carefully; and <ul style="list-style-type: none"> <li>Critically assessing journals posted to revenue to identify unusual or irregular items.</li> </ul>   |
| See note no 20.00 to the financial statements   |   |
| <b>Property, Plant and Equipment</b>  |   |
| The carrying value of property, plant and equipment amounts to BDT 1,221,249,900 (2018-19: BDT 1,232,602,338). This represents a material amount in the company's statement of financial position as at 30 June 2020 as: <ul style="list-style-type: none"> <li>there is a risk of determining which costs meet the criteria for capitalisation;</li> <li>determining the date on which the assets is recognized to property, plant and equipment and depreciation commences;</li> <li>the estimation of economic useful lives and residual values assigned to property, plant and equipment.</li> </ul> Additionally, we identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. | Our audit procedures to assess the carrying value of property, plant and equipment included the following: <ul style="list-style-type: none"> <li>Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values;</li> <li>Testing supporting evidence of acquisition made on sample selected during the year to verify accuracy of recorded cost and ownership of acquired assets to the company;</li> <li>Testing the key controls over the management's judgment in relation to the accounting estimates of the useful economic lives and residual values of property, plant and equipment;</li> <li>Physically inspected assets located at factory to verify their existence and assets condition of use during or audit;</li> <li>Assessing the adequacy of the disclosures of the financial statements.</li> </ul> |
| See note no 4.00 to the financial statements  |   |

### Emphasis of Matter

We draw attention to note 4.01 to the financial statements relation to "Property Plant and Equipment" which states that the company entered into material amount of cash transactions with suppliers of goods and services for the purpose of land development. Our opinion is not modified in respect of this matter.

### 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 statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The annual report is expected to be made available to us after the date of this auditor's report.





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In connection with our audit of the financial statements, our responsibility is to read the other information identifies 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 Statements**

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

In preparing the Financial Statements, 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 Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements 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 Statements.

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 Statements, 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.





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- 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 Statements 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.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent 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 Statements 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 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.

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

Dhaka, 27 October 2020



# The Financial Statements

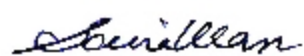
## Silva Pharmaceuticals Limited

### Statement of Financial Position

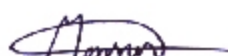
As at 30 June, 2020

| Particulars                                    | Notes        | Amount in Taka       |                      |
|--|--------------|----------------------|----------------------|
|  |              | 30-Jun-20            | 30-Jun-19            |
| <b>ASSETS</b>                                  |              |                      |                      |
| <b>Non Current Assets</b>                      |              | <b>1,365,926,835</b> | <b>1,241,202,338</b> |
| Property, Plant and Equipment                  | 4.00         | 1,221,249,900        | 1,232,602,338        |
| Intangible Assets                              | 5.00         | 1,178,827            | -                    |
| Right-of-use asset (ROU)                       | 6.00         | 21,712,480           | -                    |
| Capital work-in-Progress                       | 7.00         | 121,785,628          | 8,600,000            |
| <b>Current Assets</b>                          |              | <b>1,090,279,961</b> | <b>1,060,520,369</b> |
| Inventories                                    | 8.00         | 444,378,778          | 397,462,763          |
| Trade and Other Receivables                    | 9.00         | 263,426,843          | 259,260,489          |
| Advances, Deposits and Prepayments             | 10.00        | 143,026,882          | 109,605,666          |
| Fixed Deposits Receipts (FDR)                  | 11.00        | 203,035,178          | 251,800,000          |
| Cash and Cash Equivalents                      | 12.00        | 36,412,280           | 42,391,451           |
| <b>Total Assets</b>                            |              | <b>2,456,206,796</b> | <b>2,301,722,707</b> |
| <b>SHAREHOLDERS EQUITY AND LIABILITIES</b>     |              |                      |                      |
| <b>Equity attributable to the Shareholders</b> |              | <b>2,198,109,877</b> | <b>2,133,442,946</b> |
| Share Capital                                  | 13.00        | 1,365,000,000        | 1,300,000,000        |
| Retained Earnings                              | 14.00        | 833,109,877          | 833,442,946          |
| <b>Non-Current Liabilities</b>                 |              | <b>98,260,873</b>    | <b>78,520,043</b>    |
| Deferred Tax Liabilities                       | 15.00        | 84,977,387           | 78,520,043           |
| Lease liabilities                              | 16.00        | 13,283,486           | -                    |
| <b>Current Liabilities</b>                     |              | <b>159,836,046</b>   | <b>89,759,718</b>    |
| Lease liabilities                              | 16.00        | 5,722,394            | -                    |
| Trade and Other Payables                       | 17.00        | 7,869,837            | 4,391,454            |
| Short Term Loan                                | 18.00        | 26,680,475           | -                    |
| Provision for Expenses                         | 19.00        | 119,563,340          | 85,368,264           |
| <b>Total Liabilities</b>                       |              | <b>258,096,919</b>   | <b>168,279,761</b>   |
| <b>Total Equity &amp; Liabilities:</b>         |              | <b>2,456,206,796</b> | <b>2,301,722,707</b> |
| <b>Net Assets Value (NAV) per share</b>        | <b>28.00</b> | <b>16.10</b>         | <b>15.63</b>         |

The annexed notes from an integral part of these financial statements.



Managing Director



Director



Chief Financial Officer



Company Secretary

Signed as per our separate report of same date.

Dhaka, 27 October 2020



Mahfel Huq & Co.  
Chartered Accountants





**Silva Pharmaceuticals Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
**for the year ended June 30, 2020**

| Particulars                                    | Notes | Amount in Taka                  |                                 |
|--|-------|---------------------------------|---------------------------------|
|  |       | 01 July 2019 to<br>30 June 2020 | 01 July 2018 to<br>30 June 2019 |
| <b>Revenue</b>                                 | 20.00 | 763,335,406                     | 732,450,190                     |
| Cost of goods sold                             | 21.00 | (464,525,568)                   | (440,501,039)                   |
| <b>Gross Profit</b>                            |       | <b>298,809,838</b>              | <b>291,949,151</b>              |
| Operating expenses                             | 22.00 | (151,457,138)                   | (141,697,442)                   |
| <b>Operating Income</b>                        |       | <b>147,352,700</b>              | <b>150,251,709</b>              |
| Financial expenses                             | 23.00 | (1,459,132)                     | (3,613,899)                     |
| <b>Net Operating Profit</b>                    |       | <b>145,893,568</b>              | <b>146,637,810</b>              |
| Interest and Other income                      | 24.00 | 21,148,042                      | 18,547,018                      |
| <b>Net Profit before Contribution to WPPF</b>  |       | <b>167,041,610</b>              | <b>165,184,828</b>              |
| Worker's Profit Participation fund (WPPF)      | 25.00 | (7,954,362)                     | (7,865,944)                     |
| <b>Net Profit before Income Tax</b>            |       | <b>159,087,248</b>              | <b>157,318,884</b>              |
| <b>Income Tax Expenses</b>                     |       | <b>(40,144,317)</b>             | <b>(13,995,468)</b>             |
| Current Tax Expenses                           | 26.01 | (33,686,973)                    | (26,695,217)                    |
| Deferred Tax Income /(Expenses)                | 26.02 | (6,457,344)                     | 12,699,749                      |
| <b>Net Profit after tax</b>                    |       | <b>118,942,931</b>              | <b>143,323,416</b>              |
| <b>Other Comprehensive Income</b>              |       | <b>-</b>                        | <b>-</b>                        |
| <b>Total comprehensive income for the year</b> |       | <b>118,942,931</b>              | <b>143,323,416</b>              |
| <b>Earnings per Share (EPS)</b>                | 27.00 | <b>0.87</b>                     | <b>1.05</b>                     |

The annexed notes from an integral part of these financial statements.

  
 Managing Director

  
 Director

  
 Chief Financial Officer

  
 Company Secretary

Signed as per our separate report of same date.

Dhaka, 27 October 2020

  
 Mahfel Huq & Co.  
 Chartered Accountants





## Silva Pharmaceuticals Limited

### Statement of Changes in Equity for the year ended June 30, 2020

| Particulars                                   | Amount in Taka       |                    |                      |
|---|----------------------|--------------------|----------------------|
|   | Share Capital        | Retained Earnings  | Total                |
| Balance as on 1st July, 2019                  | 1,300,000,000        | 833,442,946        | 2,133,442,946        |
| Net profit after tax during the year          | -                    | 118,942,931        | 118,942,931          |
| Issue of Share Capital through Stock Dividend | 65,000,000           | (65,000,000)       | -                    |
| Dividend Paid in Cash                         | -                    | (54,276,000)       | (54,276,000)         |
| <b>Balance as at 30 June, 2020</b>            | <b>1,365,000,000</b> | <b>833,109,877</b> | <b>2,198,109,877</b> |

The Board of Directors of the Company has recommended 5% cash dividend for all shareholders excluding Sponsor & Directors (except ICB) in its 85th board meeting dated 27 October, 2020.

### 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          |
| Issue of Share Capital               | 300,000,000          | -                  | 300,000,000          |
| IPO Expenses                         | -                    | (20,441,474)       | (20,441,474)         |
| <b>Balance as at 30 June, 2019</b>   | <b>1,300,000,000</b> | <b>833,442,946</b> | <b>2,133,442,946</b> |

  
Managing Director

  
Director

  
Chief Financial Officer

  
Company Secretary

Dhaka, 27 October 2020





## Silva Pharmaceuticals Limited

### Statement of Cash Flows for the year ended June 30, 2020

| Particulars   | Notes        | Amount in Taka                  |                                 |
|---|--------------|---------------------------------|---------------------------------|
|   |              | 01 July 2019 to<br>30 June 2020 | 01 July 2018 to<br>30 June 2019 |
| <b>Cash flows from Operating Activities</b>                             |              |                                 |                                 |
| Cash received from Customers  |              | 758,298,931                     | 723,356,483                     |
| Cash received from non-operating income                                 |              | 22,018,163                      | 18,171,619                      |
| Cash Paid to Suppliers  |              | (443,640,757)                   | (373,275,173)                   |
| Cash Paid to Employees  |              | (130,802,280)                   | (116,909,769)                   |
| Cash Paid for Others  |              | (26,658,789)                    | (32,103,063)                    |
| Income Tax Paid   |              | (28,595,573)                    | (29,261,184)                    |
| <b>Net cash flows from operating activities (A)</b>                     | <b>33.00</b> | <b>150,619,695</b>              | <b>189,978,913</b>              |
| <b>Cash flows from Investing Activities</b>                             |              |                                 |                                 |
| Acquisition of Property, Plant and Equipment                            |              | (58,569,686)                    | (111,509,232)                   |
| Cash Payments for Capital Work-in-progress                              |              | (113,185,628)                   | (93,797,317)                    |
| Cash received/Payments from/to FDR                                      |              | 48,764,822                      | (166,800,000)                   |
| <b>Net cash used in investing activities (B)</b>                        |              | <b>(122,990,492)</b>            | <b>(372,106,549)</b>            |
| <b>Cash flows from Financing Activities</b>                             |              |                                 |                                 |
| Issuance of Share Capital   |              | -                               | 300,000,000                     |
| Long Term Loan received/(Repaid)  |              | -                               | (99,000,000)                    |
| Short Term Loan received/(Repaid)                                       |              | 26,680,475                      | -                               |
| Cash payment for IPO Expenses   |              | -                               | (20,441,474)                    |
| Cash payment for Financial Expenses                                     |              | (421,749)                       | (6,336,399)                     |
| Cash payment towards lease liabilities                                  |              | (5,591,100)                     | -                               |
| Cash Dividend Paid  |              | (54,276,000)                    | -                               |
| <b>Net cash used in financing activities (C)</b>                        |              | <b>(33,608,374)</b>             | <b>174,222,127</b>              |
| <b>Net increase/(decrease) of Cash and Cash<br/>Equivalents (A+B+C)</b> |              | <b>(5,979,171)</b>              | <b>(7,905,509)</b>              |
| Cash and Cash Equivalents at the beginning of the year                  |              | 42,391,451                      | 50,296,960                      |
| <b>Cash and Cash Equivalents at the end of the<br/>year</b>             |              | <b>36,412,280</b>               | <b>42,391,451</b>               |
| <b>NET OPERATING CASH FLOW PER SHARE<br/>(IN TAKA)</b>                  | <b>29.00</b> | <b>1.10</b>                     | <b>1.39</b>                     |

The annexed notes from an integral part of these financial statements.

  
Managing Director

  
Director

  
Chief Financial Officer

  
Company Secretary

Dhaka, 27 October 2020





**Silva Pharmaceuticals Limited**  
**Notes to the Financial Statements**  
**for the year ended June 30, 2020**

**1.00 About the Company**

**1.01 Formation and Legal Status**

Silva Pharmaceuticals Limited (the 'Company') was incorporated in Bangladesh on 24 April 2001 under the Companies Act, 1994 as a 'private company' limited by shares and registered with the Registrar of Joint Stock Companies and Firms of Bangladesh 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 is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchanges Limited (CSE) . 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 137, Joykrishnarampur, Main Road, Maijdee Court, Noakhali.

**1.03 Nature of Business**

The Company is 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 of Financial Statements**

**2.01 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 respective item.





### 2.03 Statement of Compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council are yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

### 2.04 Other Regulatory Compliance

The Company also complied with the requirements of following laws and regulations from various Government bodies:regulations:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- VAT and Supplementary Duty act 2012
- VAT and Supplementary Duty rules 2016
- The Drugs Act, 1940 and the Drug Rules, 1946
- The Drug (Control) Ordinance, 1982
- The Customs Act, 1969
- The Stamp Act, 1899
- The Bangladesh Securities and Exchange Commission Act, 1993
- The Bangladesh Securities and Exchange Commission Rules, 1987
- DSE and CSE Rules
- Listing (DSE & CSE) Regulations, 2015
- Bangladesh Labour Act, 2006 (As amended to 2013)

### 2.05 Use of Estimates and Judgments

In preparing these financial statements, management has made judgements, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### a. Judgements

Information about judgements related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is described in note 2.13.

#### b. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 4.00 Property, Plant and Equipment
- Note 5.00 Intangible Assets
- Note 8.00 Inventories
- Note 19.02 Provision for Income Tax



**2.06 Going Concern**

The financial statements of the Company have been prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

**2.07 Functional and Presentation Currency**

The financial statements are expressed in Bangladesh Currency (Taka/ Tk.), which is both functional and reporting currency of the Company.

**2.08 Reporting Period**

The financial statements of the Company consistently cover one financial year commencing from 01 July, 2019 to 30 June, 2020.

**2.09 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.

**2.10 Authorization for issuing Financial Statements**

The Financial Statements were authorised for issue by the Board of Directors in its meeting held on 27 October 2020.

**2.11 Accrual Basis**

The Financial Statements have been prepared, except Cash Flow information, using the accrual basis of accounting.

**2.12 Comparative and reclassification**

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year financial statements. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year financial statements and to comply with relevant IFRSs.

**2.13 Changes in significant accounting policies**

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. As the Company's financial year starts from 01 July, the Company has initially adopted IFRS 16 Leases from 01 July 2019.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

**A. Definition of a lease**

Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for

**B. As a lessee**

The Company leases factory and depot centers.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.





The carrying amounts of right-of-use assets are as below.

**Right-of-use asset (in Taka)**

Balance at 01 July 2019 26,266,197

Balance at 30 June 2020 21,712,480

The Company presents lease liabilities separately in the statement of financial position.

**i. Significant accounting policies**

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liabilities. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The lease liabilities is subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

**ii. Transition**

Previously, the Company classified property leases as operating leases under IAS 17. These include sales centers. The leases typically run for a period of 3 to 10 years. Some leases include an option to renew the lease after the end of the non-cancellable period. Some leases provide for additional rent payments that are based on changes in local price indices.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 July 2019.

Right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- i) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- ii) Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

**iii. Impacts for the year**

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Company recognized BDT 21,712,480 of right-of-use assets and BDT 19,005,880 of lease liabilities as at 30 June 2020.



Also in relation to those leases under IFRS 16, the Company has recognized depreciation and interest expense, instead of operating lease expense. During the year ended 30 June 2020, the Company recognized BDT 2,217,837 of depreciation charges and BDT 1,037,383 of interest expense from these leases.

#### 2.14 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, 2020;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year from 01 July, 2019 to 30 June, 2020;
- iii) Statement of Changes in Equity for the year from 01 July, 2019 to 30 June, 2020;
- iv) Statement of Cash Flows for the year from 01 July, 2019 to 30 June, 2020; and
- v) Notes, comprising summary of significant accounting policies and other explanatory information.

#### 2.15 Application of Standards (IAS's)

As per para 12 of the Securities and Exchange Rules 1987, the company complied with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

| Name of the Accounting Standards                                | Reference No. |
|---|---------------|
| <b>International Accounting Standards (IASs)</b>                |               |
| 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        |
| 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        |
| Interim Financial reporting                                     | IAS-34        |
| Impairment of assets  | IAS-36        |
| Provisions, Contingent Liabilities and Contingent Assets        | IAS-37        |
| Intangible Assets   | IAS-38        |
| Financial Instruments: Recognition and Measurement              | IAS-39        |
| <b>International Financial Reporting Standards (IFRSs)</b>      |               |
| Financial Instruments: Disclosure                               | IFRS-7        |
| Operating Segments  | IFRS-8        |
| Financial Instruments   | IFRS-9        |
| Fair Value Measurement  | IFRS-13       |
| Revenue from Contracts with Customers                           | IFRS-15       |
| Leases  | IFRS-16       |





### 3.00 Significant Accounting Policies

#### 3.01 Property, Plant and Equipment (PPE)

##### i) Recognition and Measurement

An item shall be recognised as Property, Plant and Equipment's (PPE) if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

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. The cost also includes the cost of replacing part of the property, plant & equipment and borrowing costs for term debt availed for the construction / implementation of the PPE, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labour and other cost directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

##### ii) Subsequent Costs

The subsequent expenditure is only capitalised as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is provable 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 is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives. 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.

Rate of depreciation on property, plant and equipments considering their useful lives are as follows:

| Category of Fixed Assets     | Rate of Depreciation |
|------------------------------|----------------------|
| 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.

**Impairment**

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.

**3.02 Capital work in progress**

Property, Plant and Equipment under construction / acquisition have been accounted for as Capital work-in-progress until construction / acquisition is completed and measures at cost. In case of import, capital work in progress is recognised when risks and rewards associated with such assets are transferred to

**3.03 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

**3.04 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.

**3.05 Financial Instruments**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.



**Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

**A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:**

- a) It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:**

- a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Trade receivables are classified as Financial assets measured at amortised cost.



**Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**Impairment of financial assets**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, The company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

**Measurement of Expected Credit Losses (ECL)**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The company uses Lifetime Expected Credit Loss method for Trade receivables.

**Presentation of impairment**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.



**3.06 Cash and Cash Equivalents**

Cash and Cash Equivalents consists of cash is hand and with banks on current account, deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same. The management carried out a cash count at the year end as

**3.07 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,

**3.08 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-34.00 of these Financial Statements.

**3.09 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 an 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. The fund is yet to be recognised by NBR.





### 3.10 Revenue Recognition

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers to the customer. To achieve that core principle this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocation the transaction price to the performance obligations in the contracts; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five step model the company recognises revenue when (or as) the company satisfies a performance obligation by transferring a promise goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

#### (a) Sale of Goods

Revenue from sale of Goods is recognised when control of the goods and services are transfer to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before

#### (b) Interest and Dividend Income

Interest Income is recognized when accrued on a time proportion basis. Dividend income from an investment is recognised when the company's right to receive the payments is established, which is generally the date when

### 3.11 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, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The tax rate used for the reporting period was 25% as a publicly traded company.

#### 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

### 3.12 Segment 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.





### 3.13 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.

### 3.14 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows". The cash generating from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS-7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

### 3.15 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

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year. 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) Diluted Earnings Per Share

For the purpose of calculating diluted earnings per share, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. No such

### 3.16 Events after the Reporting period

As per IAS-10; Events after the reporting period that provide additional information about the company's position at the date of financial position are reflected in the financial statements. All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

The Board of Directors of the Company has recommended 05% cash dividend for all shareholders excluding Sponsor & Directors (except ICB) in its 85th board meeting held on 27 October, 2020.

### 3.17 Offsetting

The company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable





### 3.18 Risk Exposure

#### I. Interest Rate Risks:

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 loans/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:**

The company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

#### II. Industry Risks:

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin and market share which could have an adverse impact on the business, financial condition and results of operation.

##### **Management Perception:**

Management is optimistic about growth opportunity in pharmaceutical sector in Bangladesh. Furthermore, there is untapped international market.

#### III. Exchange Rate Risk:

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad, unfavorable volatility or currency fluctuation may affect the profitability of the Company. When exchange rate increase against local currency, opportunity arises for generating more profit.

##### **Management Perception:**

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

#### IV. Liquidity Risk:

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

##### **Management Perception:**

The company's approach toward managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make

#### V. Operational Risk:

Non-availabilities of materials/ equipments / services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe

##### **Management Perception:**

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in cost and prices and also takes preventive measures therefore.



**VI. Market Risk:**

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company

**Management Perception:**

Management is fully aware of the market risk and act accordingly. Market for pharmaceuticals drugs and medicines in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to oncrease the customer base and customer loyalty.

**VII. Credit Risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

**Management Perception:**

The senior management of Silva Pharmaceuticals Limited carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers into Silva Pharmaceuticals Limited asset portfolio. The credit risk management and control are controlled through the credit policies of the company which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board

**3.19 Foreign exchange gain or loss**

Silva Pharmaceuticals Limited do not generate any revenue from export sale and does not maintain any foreign currency bank account furthermore the company imported raw materials and packing materials through sight L/C. Hence, no gain or losses arised from changes in foreign currency exchange rate.



## 4.00 Property, Plant and Equipment

| Particulars                      | Cost                        |                          |                             |                        |                             |  | Rate (%)           | Depreciation                |                        |                             | Amount in Taka              |  |
|----------------------------------|-----------------------------|--------------------------|-----------------------------|------------------------|-----------------------------|--|--------------------|-----------------------------|------------------------|-----------------------------|-----------------------------|--|
|                                  | Balance as on 01 July, 2019 | Addition during the year | Balance as on 30 June, 2020 | Charge during the year | Balance as on 30 June, 2020 | Written Down Value as at 30 June, 2020 |                    | Balance as on 01 July, 2019 | Charge during the year | Balance as on 30 June, 2020 | Amount in Taka              |  |
|                                  |                             |                          |                             |                        |                             |  |                    |                             |                        |                             | Balance as on 30 June, 2020 | Written Down Value as at 30 June, 2020 |
| Land & Land Development (4.01)   | 321,013,879                 | 19,766,036               | 340,779,915                 | -                      | 340,779,915                 | 340,779,915                            | -                  | -                           | -                      | -                           | 340,779,915                 |  |
| Plant & Machinery                | 594,746,081                 | 2,368,069                | 597,114,150                 | -                      | 597,114,150                 | 231,413,276                            | 340,251,407        | 25,449,467                  | 365,700,874            | 231,413,276                 | 231,413,276                 |  |
| Generator                        | 12,396,170                  | -                        | 12,396,170                  | -                      | 12,396,170                  | 3,557,207                              | 8,443,718          | 395,245                     | 8,838,963              | 3,557,207                   | 3,557,207                   |  |
| Building Decoration              | 113,032,656                 | -                        | 113,032,656                 | -                      | 113,032,656                 | 79,891,220                             | 24,264,634         | 8,876,802                   | 33,141,436             | 79,891,220                  | 79,891,220                  |  |
| Electrical Installation          | 39,471,371                  | -                        | 39,471,371                  | -                      | 39,471,371                  | 32,777,528                             | 3,051,895          | 3,641,948                   | 6,693,843              | 32,777,528                  | 32,777,528                  |  |
| Gas Installation                 | 389,890                     | -                        | 389,890                     | -                      | 389,890                     | 104,009                                | 274,324            | 11,557                      | 285,881                | 104,009                     | 104,009                     |  |
| Office Equipment                 | 41,522,538                  | 5,497,043                | 47,019,581                  | -                      | 47,019,581                  | 28,046,153                             | 16,354,499         | 2,618,929                   | 18,973,428             | 28,046,153                  | 28,046,153                  |  |
| Factory Equipment                | 50,752,925                  | 5,858,888                | 56,611,813                  | -                      | 56,611,813                  | 34,853,896                             | 18,305,790         | 3,452,127                   | 21,757,917             | 34,853,896                  | 34,853,896                  |  |
| Furniture and Fixture            | 39,375,136                  | 3,988,505                | 43,363,641                  | -                      | 43,363,641                  | 22,021,478                             | 19,215,027         | 2,127,136                   | 21,342,163             | 22,021,478                  | 22,021,478                  |  |
| Vehicle                          | 114,742,031                 | 9,307,580                | 124,049,611                 | -                      | 124,049,611                 | 42,199,203                             | 72,933,800         | 8,916,608                   | 81,850,408             | 42,199,203                  | 42,199,203                  |  |
| Power House                      | 1,195,705                   | -                        | 1,195,705                   | -                      | 1,195,705                   | 303,020                                | 859,016            | 33,669                      | 892,685                | 303,020                     | 303,020                     |  |
| Laboratory Equipment             | 51,968,117                  | 7,292,585                | 59,260,702                  | -                      | 59,260,702                  | 36,954,492                             | 18,514,916         | 3,791,294                   | 22,306,210             | 36,954,492                  | 36,954,492                  |  |
| Factory Building & Warehouse     | 420,844,359                 | 3,245,260                | 424,089,619                 | -                      | 424,089,619                 | 368,348,503                            | 46,379,494         | 9,361,622                   | 55,741,116             | 368,348,503                 | 368,348,503                 |  |
| <b>Total as on 30 June, 2020</b> | <b>1,801,450,858</b>        | <b>57,323,966</b>        | <b>1,858,774,824</b>        |                        | <b>1,858,774,824</b>        | <b>1,221,249,900</b>                   | <b>568,848,520</b> | <b>68,676,404</b>           | <b>637,524,924</b>     | <b>1,221,249,900</b>        | <b>1,221,249,900</b>        |  |

4.01 The company entered into material amount of cash transactions with suppliers of goods and services for the purpose of land development.

## Allocation of Depreciation

Charged during the year

Adjustment during the year

(a) Depreciation charged to cost of sales (Note-20.00)

(b) Depreciation charged to administrative expenses (Note-21.01)

(c) Depreciation charged to selling & distribution expenses (Note-21.02)

**Total**

01 July 2019 to  
30 June 2020

68,676,404

**68,676,404**

639,331,266

4,057,705

687,433

**644,076,404**







| Particulars                  | 30 June, 2019               |                          |                             |          |                        |                             | Amount in Taka              |  |  |
|------------------------------|-----------------------------|--------------------------|-----------------------------|----------|------------------------|-----------------------------|-----------------------------|--|--|
|                              | Cost                        |                          |                             | Rate (%) | Depreciation           |                             | Balance as on 30 June, 2019 | Written Down Value as at 30 June, 2019 |  |
|                              | Balance as on 01 July, 2018 | Addition during the year | Balance as on 30 June, 2019 |          | Charge during the year | Balance as on 30 June, 2019 |                             |  |  |
| Land & Land Development      | 271,775,281                 | 49,238,598               | 321,013,879                 | 0%       | -                      | -                           | 321,013,879                 | 321,013,879                            |  |
| Plant & Machinery            | 584,132,741                 | 10,613,340               | 594,746,081                 | 10%      | 312,989,151            | 27,262,256                  | 340,251,407                 | 254,494,674                            |  |
| Generator                    | 12,396,170                  | -                        | 12,396,170                  | 10%      | 8,004,557              | 439,161                     | 8,443,718                   | 3,952,452                              |  |
| Building Decoration          | 34,427,691                  | 78,604,965               | 113,032,656                 | 10%      | 22,896,121             | 1,368,513                   | 24,264,634                  | 88,768,022                             |  |
| Electrical Installation      | 4,300,101                   | 35,171,270               | 39,471,371                  | 10%      | 2,806,139              | 245,756                     | 3,051,895                   | 36,419,476                             |  |
| Gas Installation             | 389,890                     | -                        | 389,890                     | 10%      | 261,483                | 12,841                      | 274,324                     | 115,566                                |  |
| Office Equipment             | 34,543,637                  | 6,978,901                | 41,522,538                  | 10%      | 14,113,000             | 2,241,499                   | 16,354,499                  | 25,168,039                             |  |
| Factory Equipment            | 38,324,237                  | 12,428,688               | 50,752,925                  | 10%      | 15,627,740             | 2,678,050                   | 18,305,790                  | 32,447,135                             |  |
| Furniture and Fixture        | 35,259,396                  | 4,115,740                | 39,375,136                  | 10%      | 17,305,844             | 1,909,183                   | 19,215,027                  | 20,160,109                             |  |
| Vehicle                      | 102,148,871                 | 12,593,160               | 114,742,031                 | 20%      | 64,789,464             | 8,144,336                   | 72,933,800                  | 41,808,231                             |  |
| Power House                  | 1,195,705                   | -                        | 1,195,705                   | 10%      | 821,606                | 37,410                      | 859,016                     | 336,689                                |  |
| Laboratory Equipment         | 36,427,312                  | 15,540,805               | 51,968,117                  | 10%      | 15,895,125             | 2,619,791                   | 18,514,916                  | 33,453,201                             |  |
| Factory Building & Warehouse | 251,646,680                 | 169,197,679              | 420,844,359                 | 2.5%     | 40,997,372             | 5,382,122                   | 46,379,494                  | 374,464,865                            |  |
| <b>Total</b>                 | <b>1,406,967,712</b>        | <b>394,483,146</b>       | <b>1,801,450,858</b>        |          | <b>516,507,602</b>     | <b>52,340,918</b>           | <b>568,848,520</b>          | <b>1,232,602,338</b>                   |  |

#### Allocation of Depreciation

Charged during the year  
Adjustment during the year

01 July 2018 to  
30 June 2019

52,340,918

-

**52,340,918**

48,677,054

3,140,455

523,409

**52,340,918**

(a) Depreciation charged to cost of sales (Note-21.04)

(b) Depreciation charged to administrative expenses (Note-22.01)

(c) Depreciation charged to selling & distribution expenses (Note-22.02)

**Total**





**5.00 Intangible Assets**

**30 June, 2020**

| Particulars  | Cost                        |                          | Rate (%) | Amortization                |                        | Amount in Taka              |  |
|--------------|-----------------------------|--------------------------|----------|-----------------------------|------------------------|-----------------------------|--|
|              | Balance as on 01 July, 2019 | Addition during the year |          | Balance as on 30 June, 2020 | Charge during the year | Balance as on 30 June, 2020 | Written Down Value as at 30 June, 2020 |
| Software     | -                           | 1,245,720                | 10%      | 1,245,720                   | 66,893                 | 66,893                      | 1,178,827                              |
| <b>Total</b> | <b>-</b>                    | <b>1,245,720</b>         |          | <b>1,245,720</b>            | <b>66,893</b>          | <b>66,893</b>               | <b>1,178,827</b>                       |

**Allocation of Amortization**

|  |                              |
|--|------------------------------|
| Charged during the year                                      | 01 July 2019 to 30 June 2020 |
| Adjustment during the year                                   | 66,893                       |
|  | <b>66,893</b>                |
| Amortization charged to administrative expenses (Note-22.01) | <b>66,893</b>                |
| <b>Total</b>   | <b>66,893</b>                |

**6.00 Right of Use Assets (RoU)**

Right-of-use assets (RoU) arise due to implementation of IFRS 16 from 1st July 2019. This is made up from use of building as lease of Corporate Office, Factory and Depot offices.

| Particulars               | Cost                        |                          | Balance as on 30 June, 2020 | Depreciation                |                        | Written Down Value as at 30 June, 2020 |
|---------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|------------------------|--|
|                           | Balance as on 01 July, 2019 | Addition during the year |                             | Balance as on 01 July, 2019 | Charge during the year |  |
| Right of Use Assets (RoU) | -                           | 26,266,197               | 26,266,197                  | -                           | 4,553,717              | 21,712,480                             |
| <b>Total</b>              | <b>-</b>                    | <b>26,266,197</b>        | <b>26,266,197</b>           | <b>-</b>                    | <b>4,553,717</b>       | <b>21,712,480</b>                      |

**Allocation of Depreciation**

|  |                              |
|--|------------------------------|
| Charged during the year                                      | 01 July 2019 to 30 June 2020 |
| Adjustment during the year                                   | 4,553,717                    |
|  | <b>4,553,717</b>             |
| Depreciation charged to administrative expenses (Note-22.01) | <b>4,553,717</b>             |
| <b>Total</b>   | <b>4,553,717</b>             |



|                                      | Amount in Taka     |                    |
|--------------------------------------|--------------------|--------------------|
|                                      | 30-Jun-20          | 30-Jun-19          |
| <b>7.00 Capital Work in Progress</b> |                    |                    |
| Opening Balance                      | 8,600,000          | 197,776,597        |
| Addition during the year             | 113,185,628        | 93,797,317         |
| <b>Total</b>                         | <b>121,785,628</b> | <b>291,573,914</b> |
| Transfer to Assets During the year   | -                  | (282,973,914)      |
| <b>Closing Balance</b>               | <b>121,785,628</b> | <b>8,600,000</b>   |

**Item wise Details Calculation shown in below**

| Item Name            | Opening balance  | Addition during the year | Transfer to Asset | Closing Balance    |
|----------------------|------------------|--------------------------|-------------------|--------------------|
| New Factory Building | 8,600,000        | 88,143,610               | -                 | 96,743,610         |
| Plant & Machinery    | -                | 25,042,018               | -                 | 25,042,018         |
| <b>Total</b>         | <b>8,600,000</b> | <b>113,185,628</b>       | <b>-</b>          | <b>121,785,628</b> |

Capital Workng-in-process expenditure include Tk. 6,05,32,650 out of Tk. 9,67,43,610 from use of IPO Fund under the head of construction of new factory building and remaining amount was used from company's own sources and in the head of Plant & Machinery Tk. 2,49,99,020 out of total Tk. 2,50,42,018 used from IPO fund and rest amount was used from company's internal sources.

|                                    | Amount in Taka     |                    |
|------------------------------------|--------------------|--------------------|
|                                    | 30-Jun-20          | 30-Jun-19          |
| <b>8.00 Inventories</b>            |                    |                    |
| Raw Materials                      | 235,571,405        | 187,257,845        |
| Packing Materials                  | 52,492,486         | 53,742,158         |
| Spares & Tools                     | 21,857,464         | 22,946,522         |
| Promotional Materials & Gift items | 27,679,685         | 29,361,724         |
| Finished goods                     | 99,524,588         | 99,937,678         |
| Work in Process-Closing            | 7,253,150          | 4,216,836          |
| <b>Total</b>                       | <b>444,378,778</b> | <b>397,462,763</b> |

Physical verification of inventories was carried out by inventory team consisting management staffs. Stock has been valued on the basis of valuation is stated in note-

|  |            |                    |                    |
|--|------------|--------------------|--------------------|
| <b>9.00 Trade and Other Receivable</b> |            |                    |                    |
| Trade Receivables                      | Note- 9.01 | 259,997,499        | 254,961,024        |
| Interest Receivables                   | Note- 9.02 | 3,429,344          | 4,299,465          |
| <b>Closing Balance</b>                 |            | <b>263,426,843</b> | <b>259,260,489</b> |

Trade receivables occurred in the ordinary course of business and are unsecured but considered good and recoverable within six months. The Accounts Receivables have no securities except their personal securities.

There was no amount 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).

There was also no other amount due by associate undertakings.





|   | Amount in Taka     |                    |                    |
|---|--------------------|--------------------|--------------------|
|   | 30-Jun-20          | 30-Jun-19          |                    |
| <b>Ageing of the above Trade Receivables is given below</b> |                    |                    |                    |
| Receivables due over six months                             | -                  | -                  |                    |
| Receivables due below six months                            | 259,997,499        | 254,961,024        |                    |
| <b>Total</b>  | <b>259,997,499</b> | <b>254,961,024</b> |                    |
| <b>9.01 Trade Receivable</b>                                |                    |                    |                    |
| Barisal DMO   | 22,106,528         | 21,342,587         |                    |
| Bogra DMO   | 21,662,981         | 21,484,625         |                    |
| Chittagong DMO  | 24,652,163         | 24,792,418         |                    |
| Comilla DMO   | 24,263,175         | 23,626,354         |                    |
| Dhaka DMO   | 21,372,496         | 20,734,862         |                    |
| Faridpur DMO  | 19,217,462         | 17,673,022         |                    |
| B. Baria DMO  | 17,885,675         | 17,985,648         |                    |
| Mymensingh DMO  | 19,726,750         | 19,745,872         |                    |
| Noakhali DMO  | 26,462,751         | 26,968,598         |                    |
| Rajshahi DMO  | 21,434,576         | 20,645,289         |                    |
| Rangpur DMO   | 20,975,488         | 20,635,264         |                    |
| Sylhet DMO  | 20,237,454         | 19,326,485         |                    |
| <b>Total</b>  | <b>259,997,499</b> | <b>254,961,024</b> |                    |
| <b>9.02 Interest Receivable</b>                             |                    |                    |                    |
| Opening Balance   | 4,299,465          | 3,924,066          |                    |
| Addition during the year                                    | 19,954,076         | 16,092,609         |                    |
| <b>Total</b>  | <b>24,253,541</b>  | <b>20,016,675</b>  |                    |
| Re-investment During the year                               | (4,035,178)        | -                  |                    |
| Received During the year                                    | (16,789,019)       | (15,717,210)       |                    |
| <b>Closing Balance</b>                                      | <b>3,429,344</b>   | <b>4,299,465</b>   |                    |
| <b>10.00 Advances, Deposits and Prepayments</b>             |                    |                    |                    |
| <b>Advances &amp; Prepayments</b>                           |                    |                    |                    |
| Advance Income Tax  | Note- 10.01        | 109,079,132        | 80,483,559         |
| Advance against Purchase & Others                           |                    | 11,975,950         | 10,395,255         |
| Advance against L/C   |                    | 3,260,719          | 2,356,420          |
| Advance against Travelling and Conveyance                   |                    | 2,342,160          | 1,845,865          |
| Motor-cycle Advances  |                    | 5,370,705          | 5,245,845          |
| Employee Advance  |                    | 1,576,500          | 1,664,500          |
| Advance against Office Rent                                 |                    | -                  | 2,706,600          |
| Prepayments of VAT  |                    | 9,044,506          | 4,530,412          |
|   |                    | <b>142,649,672</b> | <b>109,228,456</b> |
| <b>Deposits</b>   |                    |                    |                    |
| <b>Security Deposit</b>                                     |                    |                    |                    |
| Bakhrabad Gas System Ltd                                    |                    | 48,610             | 48,610             |
| Bangladesh T & T Board                                      |                    | 40,600             | 40,600             |
| Power Development Board                                     |                    | 288,000            | 288,000            |
|   |                    | <b>377,210</b>     | <b>377,210</b>     |
| <b>Total</b>  |                    | <b>143,026,882</b> | <b>109,605,666</b> |



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 aggregate amount due from the Directors ( including Managing Director) and managing agents of the company and any of them severally or jointly with any other person.

|  | Amount in Taka         |                    |
|--|------------------------|--------------------|
|  | 30-Jun-20              | 30-Jun-19          |
| <b>10.01 Advance Income Tax</b>  |                        |                    |
| Opening Balance  | 80,483,559             | 87,507,470         |
| Add: Payment made during the year  | 28,595,573             | 29,092,293         |
| <b>Total</b>   | <b>109,079,132</b>     | <b>116,599,763</b> |
| Adjustment made During the year  | -                      | (36,116,204)       |
| <b>Closing Balance:</b>  | <b>109,079,132</b>     | <b>80,483,559</b>  |
| <b>11.00 Fixed Deposits Receipts (FDR)</b>   |                        |                    |
| Jamuna Bank Ltd. Foreign Exchange branch Dhaka                                     | 40,160,178             | 31,800,000         |
| Union Bank Ltd. Panthapath Branch, Dhaka   | 60,000,000             | 60,000,000         |
| Shahjalal Islami Bank Ltd. Satmosjid Road Branch, Dhaka<br>(Short Term Investment) | 102,875,000            | 160,000,000        |
| <b>Total</b>   | <b>203,035,178</b>     | <b>251,800,000</b> |
| <b>12.00 Cash and Cash Equivalents</b>   |                        |                    |
| Cash in Hand at factory  | 1,655,770              | 2,245,956          |
| Cash (HO)  | 54,225                 | 1,258,750          |
| Cash (Depot)   | 12,119,718             | 16,137,872         |
| Postal Imprest   | 3,065                  | 8,450              |
| Cash at Bank   | Note- 12.01 22,579,502 | 22,740,423         |
| <b>Total</b>   | <b>36,412,280</b>      | <b>42,391,451</b>  |
| <b>12.01 Cash at Bank</b>  |                        |                    |
| Al-Arafah Islami Bank Ltd. 1311020011891   | 148,581                | 106,239            |
| Al-Arafah Islami Bank Ltd. 01311220001386  | 20,113                 | 20,249             |
| Dutch Bangla Bank Ltd. 171.110.380   | 879,800                | 399,729            |
| Dutch Bangla Bank Ltd. 1711200002165   | 2,615,961              | 46,319             |
| Dutch Bangla Bank Ltd. 1715040005666   | 2,159,534              | 2,062,100          |
| Dutch Bangla Bank Ltd. 2501200000282   | 3,871,331              | -                  |
| Dutch Bangla Bank Ltd. 1711200002688   | 1,367,843              | -                  |
| National Bank Ltd. 1063000829560   | 125,150                | 276,944            |
| Jamuna Bank Ltd. 0018-0210015437   | 62,608                 | 46,793             |
| Union Bank Ltd. 31210000536  | 5,967                  | 167,287            |
| Sonali Bank Ltd. 2000602   | 98,377                 | 233,537            |
| Shahjalal Islami Bank Ltd. 401213100007640   | 811,591                | -                  |
| Shahjalal Islami Bank Ltd. 401213100009660   | 10,412,646             | 19,381,226         |
| <b>Total</b>   | <b>22,579,502</b>      | <b>22,740,423</b>  |



|  | Amount in Taka       |                      |
|--|----------------------|----------------------|
|  | 30-Jun-20            | 30-Jun-19            |
| <b>13.00 Share Capital</b>   |                      |                      |
| <b>13.01 Authorized Share Capital</b>                                    |                      |                      |
| 150,000,000 ordinary shares of Tk 10/= each                              | <b>1,500,000,000</b> | <b>1,500,000,000</b> |
| <b>13.02 Issued, subscribed and paid-up share capital</b>                |                      |                      |
| <b>(a) By Cash</b>   |                      |                      |
| 130,000,000 Ordinary shares of Tk. 10/- each fully paid in cash          | 1,300,000,000        | 1,300,000,000        |
| <b>(b) By Issue of Bonus Share</b>                                       |                      |                      |
| 6,500,000 Ordinary shares of Tk. 10/- each fully paid-up as bonus shares | 65,000,000           | -                    |
| <b>Total 13,65,00,000 ordinary shares of Taka 10/= each.</b>             | <b>1,365,000,000</b> | <b>1,300,000,000</b> |

Paid up capital of the company has been raised to Tk. 1,365,000,000 divided into 136,500,000 ordinary shares of tk. 10.00 each through allotment of Tk. 65,000,000 divided into 6,500,000 no's of ordinary shares through bonus share issued @ 5% for the year ended on 30 June, 2019.

Composition of Shareholdings of Ordinary Shares:

| Category of Shareholders         | 30-Jun-20          |                | 30-Jun-19          |                |
|----------------------------------|--------------------|----------------|--------------------|----------------|
|                                  | No. of Shares      | %              | No. of Shares      | %              |
| Directors/Sponsors               | 73,017,000         | 53.49%         | 69,540,000         | 53.49%         |
| Financial and other Institutions | 18,050,581         | 13.22%         | 24,402,718         | 18.77%         |
| Foreign                          | 91,550             | 0.07%          | 129,392            | 0.10%          |
| General Public                   | 45,340,869         | 33.22%         | 35,927,890         | 27.64%         |
| <b>Total</b>                     | <b>136,500,000</b> | <b>100.00%</b> | <b>130,000,000</b> | <b>100.00%</b> |

The Distribution Schedule showing the number of shareholders and their share holdings and percentage as on 30 June, 2020 are as follows:

| Range of Holdings                 | No. of Shareholders | No. Of Shares      | Percentage (%) |
|-----------------------------------|---------------------|--------------------|----------------|
| Less than 500 Shares              | 1,817               | 361,500            | 0.26%          |
| From 501 to 5,000 Shares          | 3,789               | 5,423,332          | 3.97%          |
| From 5,001 to 10,000 Shares       | 553                 | 4,201,756          | 3.08%          |
| From 10,001 to 20,000 Shares      | 378                 | 5,505,370          | 4.03%          |
| From 20,001 to 30,000 Shares      | 123                 | 3,060,887          | 2.24%          |
| From 30,001 to 40,000 Shares      | 61                  | 2,154,172          | 1.58%          |
| From 40,001 to 50,000 Shares      | 43                  | 2,035,853          | 1.49%          |
| From 50,001 to 1,00,000 Shares    | 82                  | 5,678,414          | 4.16%          |
| From 1,00,001 to 10,00,000 Shares | 95                  | 20,071,383         | 14.70%         |
| From 10,00,001 and above Shares   | 21                  | 88,007,333         | 64.47%         |
| <b>Total</b>                      | <b>6,962</b>        | <b>136,500,000</b> | <b>100.00%</b> |

The shares are listed with the Dhaka Stock Exchange Limited and Chittagong Stock exchange Limited. The shares were quoted at Tk. 18.30 in the Dhaka stock Exchange Limited and Tk. 18.40 in the Chittagong Stock Exchange Limited on 30.06.2020.



|              |  | Amount in Taka     |                    |                  |
|--------------|--|--------------------|--------------------|------------------|
|              |  | 30-Jun-20          | 30-Jun-19          |                  |
| <b>14.00</b> | <b>Retained Earnings</b>   |                    |                    |                  |
|              | Opening balance  | 833,442,946        | 710,561,004        |                  |
|              | Dividend Paid for the year 2018-2019 ( 6% Cash & 5% Stock)                     | (119,276,000)      | -                  |                  |
|              | Net profit after tax during the year   | 118,942,931        | 143,323,416        |                  |
|              | IPO Expenses   | -                  | (20,441,474)       |                  |
|              | <b>Closing Balance</b>   | <b>833,109,877</b> | <b>833,442,946</b> |                  |
| <b>15.00</b> | <b>Deferred Tax Liabilities</b>  |                    |                    |                  |
|              | Written Down Value of Non-Current Assets as per accounts                       | 1,222,428,727      | 1,232,602,338      |                  |
|              | Written Down Value of Non-Current Assets as per Tax base                       | (882,519,179)      | (918,522,167)      |                  |
|              | <b>Taxable Temporary Difference</b>  | <b>339,909,548</b> | <b>314,080,171</b> |                  |
|              | Effective Tax Rate   | 25%                | 25%                |                  |
|              | <b>Deferred Tax Liabilities</b>  | <b>84,977,387</b>  | <b>78,520,043</b>  |                  |
| <b>16.00</b> | <b>Lease Liability</b>   |                    |                    |                  |
|              | <b>i) Lease liabilities recognized in the statement of financial position</b>  |                    |                    |                  |
|              | Lease liability - current portion  | 5,722,394          | -                  |                  |
|              | Lease liability - non-current portion  | 13,283,486         | -                  |                  |
|              | <b>Total</b>   | <b>19,005,880</b>  | <b>-</b>           |                  |
|              | <b>ii) Amounts recognized in profit or loss and other comprehensive income</b> |                    |                    |                  |
|              | Interest on lease obligation   | 1,037,383          | -                  |                  |
|              | Amortization expense   | 4,553,717          | -                  |                  |
|              | <b>Total</b>   | <b>5,591,100</b>   | <b>-</b>           |                  |
|              | <b>iii) Amounts recognized in statement of cash flows</b>                      |                    |                    |                  |
|              | Total cash outflows for leases   | <b>5,591,100</b>   | <b>-</b>           |                  |
|              | <b>iv) Movement in lease payable</b>   |                    |                    |                  |
|              | At 1 July, 2019  | 14,228,139         | -                  |                  |
|              | First time adoption adjustments under IFRS 16                                  | -                  | -                  |                  |
|              | Additions  | 9,331,458          | -                  |                  |
|              | Interest accrued   | 1,037,383          | -                  |                  |
|              | Repayment  | (5,591,100)        | -                  |                  |
|              | <b>At 30 June, 2020</b>  | <b>19,005,880</b>  | <b>-</b>           |                  |
| <b>17.00</b> | <b>Trade and Other Payables</b>  |                    |                    |                  |
|              | Trade Payable  | Note- 17.01        | 6,542,477          | 4,391,454        |
|              | Other payable  | Note- 17.02        | 1,327,360          | -                |
|              | <b>Total</b>   |                    | <b>7,869,837</b>   | <b>4,391,454</b> |
| <b>17.01</b> | <b>Trade Payable</b>   |                    |                    |                  |
|              | <b>Particulars</b>   |                    |                    |                  |
|              | Global capsules Ltd.   | -                  | 52,485             |                  |
|              | Alvi Enterprise  | 61,200             | 26,480             |                  |
|              | Bhai Bhai Printing & Packaging   | 37,461             | 52,500             |                  |
|              | BIO Lab  | 33,550             | 35,470             |                  |



|                                  | Amount in Taka   |                  |
|----------------------------------|------------------|------------------|
|                                  | 30-Jun-20        | 30-Jun-19        |
| Builtrade Foils                  | -                | 62,458           |
| Crystal Flexipack Ltd.           | 66,429           | 38,250           |
| Metro Foils Ltd.                 | 56,349           | 46,875           |
| Sun Shine Traders                | 698,196          | 726,845          |
| Rasayan Ghar                     | 791,614          | 594,782          |
| JMS Glass Industries             | 27,535           | 28,457           |
| AGI Printing & Packaging Ltd.    | 891,083          | 878,450          |
| R.B. Printers                    | -                | 164,785          |
| Dhaka Foil Corporation           | 266,751          | 285,460          |
| Poly web Printing & Packaging    | 365,134          | 286,525          |
| Quality Can Industries           | 73,487           | 68,457           |
| Reaz Enterprise                  | 678,395          | 915,725          |
| Tanim Plastic Industries         | 147,322          | 127,450          |
| United Polymers Limited          | 246,636          | -                |
| Padma Cap Manufacturing Co. Ltd. | 233,855          | -                |
| Index Chemi                      | 478,341          | -                |
| Mohd. Manik Miah Plastic         | 131,074          | -                |
| M/S. Oshadi Industries Ltd.      | 316,322          | -                |
| Zest Polymers Limited            | 53,152           | -                |
| Pharma Vintage                   | 245,000          | -                |
| Eastern Trade Chems              | 318,591          | -                |
| Pharmacon Enterprise             | 325,000          | -                |
| <b>Total</b>                     | <b>6,542,477</b> | <b>4,391,454</b> |

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

#### 17.02 Other Payables

|                    |                  |          |
|--------------------|------------------|----------|
| Unclaimed Dividend | 1,327,360        | -        |
| <b>Total</b>       | <b>1,327,360</b> | <b>-</b> |

#### 18.00 Short Term Loan

Outstanding position of Short Term Loan from Jamuna Bank Limited is shown below:

|                              |                   |          |
|------------------------------|-------------------|----------|
| SOD A/c. No. 0018-0133012167 | 18,235,615        | -        |
| UPAS A/C                     | 8,444,860         | -        |
| <b>Total</b>                 | <b>26,680,475</b> | <b>-</b> |

#### 19.00 Provision for expenses

|  |             |                   |
|--|-------------|-------------------|
| Directors Remuneration                         | 100,000     | 100,000           |
| Field Forces Expenses                          | 146,528     | 172,458           |
| Utilities                                      | 393,361     | 289,714           |
| Office Rent                                    | -           | 253,010           |
| Salary & Wages                                 | 5,617,193   | 5,295,407         |
| Audit & Professional Fees                      | 391,000     | 195,500           |
| Overtime                                       | 22,153      | 46,825            |
| Printing & Stationery                          | 12,450      | 14,623            |
| Employees Provident Fund                       | 104,537     | -                 |
| Worker's Profit Participation and Welfare Fund | Note- 19.01 | 7,954,362         |
| Provision for Income Tax                       | Note- 19.02 | 104,821,756       |
| <b>Total</b>                                   |             | <b>85,368,264</b> |



|              |  | Amount in Taka          |                    |
|--------------|--|-------------------------|--------------------|
|              |  | 30-Jun-20               | 30-Jun-19          |
| <b>19.01</b> | <b>Worker's Profit Participation Fund (WPPF)</b> |                         |                    |
|              | Opening balance                                  | 7,865,944               | 7,193,811          |
|              | Provision made during the year                   | 7,953,486               | 7,865,944          |
|              | <b>Total</b>                                     | <b>15,819,430</b>       | <b>15,059,755</b>  |
|              | Paid/Adjustment made during the year             | (7,865,944)             | (7,193,811)        |
|              | <b>Closing balance</b>                           | <b>7,953,486</b>        | <b>7,865,944</b>   |
| <b>19.02</b> | <b>Provision for Income Tax</b>                  |                         |                    |
|              | Opening balance                                  | 71,134,783              | 80,724,661         |
|              | Provision made during the year                   | 33,686,973              | 26,695,217         |
|              | <b>Total</b>                                     | <b>104,821,756</b>      | <b>107,419,878</b> |
|              | Paid/Adjustment made during the year             | -                       | (36,285,095)       |
|              | <b>Closing balance</b>                           | <b>104,821,756</b>      | <b>71,134,783</b>  |
| <b>20.00</b> | <b>Revenue</b>                                   |                         |                    |
|              | Local Sales (Net)                                | 763,335,406             | 732,450,190        |
|              | <b>Total</b>                                     | <b>763,335,406</b>      | <b>732,450,190</b> |
| <b>21.00</b> | <b>Cost of goods sold</b>                        |                         |                    |
|              | This is made up as follows                       |                         |                    |
|              | Raw materials consumed                           | Note- 21.01 229,250,649 | 226,229,307        |
|              | Packing materials consumed                       | Note- 21.02 125,440,181 | 120,906,639        |
|              | Consumable Spares & Tools consumed               | Note- 21.03 21,222,139  | 18,334,805         |
|              |  | <b>375,912,969</b>      | <b>365,470,751</b> |
|              | Work in process- Opening                         | 4,216,836               | 4,136,185          |
|              | Work in process- Closing                         | (7,253,150)             | (4,216,836)        |
|              | <b>Change in work in process</b>                 | <b>(3,036,314)</b>      | <b>(80,651)</b>    |
|              | Manufacturing Overhead                           | Note- 21.04 35,347,125  | 36,028,478         |
|              | Depreciation                                     | 63,931,266              | 48,677,054         |
|              | <b>Cost of production</b>                        | <b>472,155,046</b>      | <b>450,095,632</b> |
|              | Finished goods - Opening                         | 99,937,678              | 98,246,759         |
|              | Finished goods - Closing                         | (99,524,588)            | (99,937,678)       |
|              | <b>Change of finished goods stock</b>            | <b>413,090</b>          | <b>(1,690,919)</b> |
|              | Cost of Physician Sample                         | (8,042,568)             | (7,903,674)        |
|              | <b>Cost of Goods Sold</b>                        | <b>464,525,568</b>      | <b>440,501,039</b> |
| <b>21.01</b> | <b>Raw materials consumed</b>                    |                         |                    |
|              | Opening Stock                                    | 187,257,845             | 186,725,468        |
|              | Purchase during the year                         | 277,564,209             | 226,761,684        |
|              | Available for production                         | <b>464,822,054</b>      | <b>413,487,152</b> |
|              | Closing Stock                                    | (235,571,405)           | (187,257,845)      |
|              | <b>Consumption during the year</b>               | <b>229,250,649</b>      | <b>226,229,307</b> |
| <b>21.02</b> | <b>Packing materials consumed</b>                |                         |                    |
|              | Opening Stock                                    | 53,742,158              | 52,163,975         |
|              | Purchase during the year                         | 124,190,509             | 122,484,822        |
|              | Available for Consumed                           | <b>177,932,667</b>      | <b>174,648,797</b> |
|              | Closing Stock                                    | (52,492,486)            | (53,742,158)       |
|              | <b>Consumption during the year</b>               | <b>125,440,181</b>      | <b>120,906,639</b> |



|   | Amount in Taka          |                    |
|---|-------------------------|--------------------|
|   | 30-Jun-20               | 30-Jun-19          |
| <b>21.03 Consumable Spares &amp; Tools</b>  |                         |                    |
| Opening Stock                               | 22,946,522              | 21,356,248         |
| Purchase during the year                    | 20,133,081              | 19,925,079         |
| Consumable Spares & Tools available for use | <b>43,079,603</b>       | <b>41,281,327</b>  |
| Closing Stock                               | (21,857,464)            | (22,946,522)       |
| <b>Consumption during the year</b>          | <b>21,222,139</b>       | <b>18,334,805</b>  |
| <b>21.04 Manufacturing overhead</b>         |                         |                    |
| Salary & Wages                              | 19,692,195              | 19,382,783         |
| Workers' benefit and welfare expense        | 2,003,969               | 2,054,349          |
| Overtime                                    | 512,049                 | 593,383            |
| Laboratory Expenses                         | 925,514                 | 996,162            |
| Postage & Stamp                             | 151,070                 | 225,218            |
| Indirect materials                          | 2,218,403               | 2,274,932          |
| Electricity Bill                            | 2,643,774               | 2,552,234          |
| Gas bill                                    | 63,537                  | 68,308             |
| Factory Rent                                | -                       | 600,000            |
| Uniform and liveries                        | 105,865                 | 129,510            |
| Carriage Inward                             | 1,223,543               | 1,263,516          |
| Medical Expenses                            | 362,602                 | 426,438            |
| Power & Fuel                                | 1,942,515               | 1,860,948          |
| Printing & Stationery                       | 481,263                 | 519,268            |
| Traveling & Conveyance                      | 191,509                 | 230,599            |
| Repairs & Maintenance                       | 1,935,803               | 1,958,150          |
| Sanitation & Cleaning                       | 536,990                 | 485,083            |
| Entertainment                               | 356,524                 | 407,597            |
| <b>Total</b>                                | <b>35,347,125</b>       | <b>36,028,478</b>  |
| <b>22.00 Operating Expenses</b>             |                         |                    |
| Administrative Expenses                     | Note- 22.01 34,805,034  | 27,750,180         |
| Selling & Distribution Expenses             | Note- 22.02 116,652,104 | 113,947,262        |
| <b>Total</b>                                | <b>151,457,138</b>      | <b>141,697,442</b> |
| <b>22.01 Administrative Expenses</b>        |                         |                    |
| Salaries and allowances                     | 17,569,111              | 15,684,055         |
| Printing & Stationery                       | 473,071                 | 473,514            |
| Phone, Fax and Mobile Bill                  | 210,154                 | 211,167            |
| Postage & Stamps                            | 70,785                  | 70,007             |
| Tours and Travelling Expenses               | 272,448                 | 116,092            |
| Utility Bill                                | 1,074,019               | 1,170,701          |
| Entertainment                               | 135,111                 | 140,341            |
| Medical & Welfare Expenses                  | 76,895                  | 74,323             |
| Licenses Renewal and Registration Fee       | 615,153                 | 257,271            |
| Audit Fees                                  | 230,000                 | 172,500            |
| Office Rent                                 | -                       | 1,832,780          |
| Directors Remuneration                      | 1,200,000               | 1,200,000          |
| Board meeting attending fees                | 327,750                 | 310,500            |
| Amortization of Intangible Assets           | 66,893                  |                    |



|  | Amount in Taka     |                    |
|--|--------------------|--------------------|
|  | 30-Jun-20          | 30-Jun-19          |
| Amortization of Right-of-use Assets                    | 4,553,717          | -                  |
| Depreciation   | 4,057,705          | 3,140,455          |
| Repairs & Maintenance                                  | 265,410            | 212,240            |
| RJSC Exp.  | 3,875              | 9,795              |
| AGM Expenses   | 236,744            | -                  |
| Contribution to Provident Fund                         | 1,490,021          | 1,347,439          |
| Legal & Professional fees                              | 1,876,172          | 1,327,000          |
| <b>Total</b>   | <b>34,805,034</b>  | <b>27,750,180</b>  |
| <b>22.02 Selling &amp; Distribution Expenses</b>       |                    |                    |
| Salaries and allowances                                | 74,280,242         | 70,866,462         |
| Field forces expenses                                  | 6,324,720          | 6,173,360          |
| Transportation & Handling Expenses                     | 2,018,688          | 1,945,856          |
| Business Promotion Expenses                            | 276,462            | 282,225            |
| Repair & Maintenance                                   | 431,938            | 453,735            |
| Traveling Expenses                                     | 641,893            | 566,019            |
| Phone, Fax and Mobile Bill                             | 118,098            | 114,745            |
| Sample Expenses  | 8,042,568          | 7,903,674          |
| Consumption of promotional materials Note- 22.02.01    | 20,882,623         | 19,878,341         |
| Postage & Courier                                      | 205,295            | 160,893            |
| Entertainment  | 323,114            | 302,876            |
| Printing & Stationery                                  | 583,921            | 456,701            |
| Training Expenses                                      | 151,120            | 190,643            |
| Bank Charge  | 485,823            | 440,056            |
| Office Rent  | -                  | 2,538,050          |
| Depreciation   | 687,433            | 523,409            |
| Vehicle Maintenance                                    | 688,520            | 579,388            |
| Loading & Unloading                                    | 427,412            | 462,561            |
| License fees & Renewals                                | 82,234             | 108,268            |
| <b>Total</b>   | <b>116,652,104</b> | <b>113,947,262</b> |
| <b>22.02.01 Promotional materials &amp; Gift Items</b> |                    |                    |
| Opening Stock  | 29,361,724         | 27,145,877         |
| Purchase during the year                               | 19,200,584         | 22,094,188         |
| Available for distribution                             | <b>48,562,308</b>  | <b>49,240,065</b>  |
| Closing Stock  | (27,679,685)       | (29,361,724)       |
| <b>Consumption during the year</b>                     | <b>20,882,623</b>  | <b>19,878,341</b>  |
| <b>23.00 Financial Expenses</b>                        |                    |                    |
| Interest on Short Term Loan                            | 421,749            | 3,613,899          |
| Interest expenses on lease liabilities                 | 1,037,383          | -                  |
| <b>Total</b>   | <b>1,459,132</b>   | <b>3,613,899</b>   |
| <b>24.00 Other Income</b>                              |                    |                    |
| Interest on FDR  | 19,954,076         | 16,092,609         |
| Interest on Bank STD Accounts                          | 267,796            | 1,520,791          |
| Sale of Wastage  | 926,170            | 933,618            |
| <b>Total</b>   | <b>21,148,042</b>  | <b>18,547,018</b>  |



|  | Amount in Taka     |                     |
|--|--------------------|---------------------|
|  | 30-Jun-20          | 30-Jun-19           |
| <b>25.00 Workers Profit Participation Fund (WPPF)</b>  |                    |                     |
| Net Profit before Contribution to WPPF   | 167,041,610        | 165,184,828         |
| Rate of contribution to WPPF(%)  | 5.00%              | 5.00%               |
| <b>Workers Profit Participation Fund (WPPF)</b>  | <b>7,954,362</b>   | <b>7,865,944</b>    |
| 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 in 2013).  |                    |                     |
| <b>26.00 Income Tax expenses</b>   |                    |                     |
| <b>26.01 Current Tax Expenses</b>  |                    |                     |
| Net Profit before Income Tax   | 159,087,248        | 157,318,884         |
| Accounting Depreciation and amortisation   | 68,743,297         | 52,340,918          |
| Non-deductible Expenses  | 1,490,021          | -                   |
| Tax Depreciation   | (94,572,674)       | (105,793,113)       |
| <b>Taxable Profit</b>  | <b>134,747,892</b> | <b>103,866,689</b>  |
| Tax Rate   | 25.00%             | 25.00%              |
| <b>Current Tax Expenses during the year</b>  | <b>33,686,973</b>  | <b>25,966,672</b>   |
| Current Tax Expenses for the previous year   | -                  | 728,545             |
| <b>Total Current Tax Expenses</b>  | <b>33,686,973</b>  | <b>26,695,217</b>   |
| <b>26.02 Deferred Tax Expenses/(Income)</b>  |                    |                     |
| Written Down Value of Non-Current Assets as per accounts   | 1,222,428,727      | 1,232,602,338       |
| Written Down Value of Non-Current Assets as per Tax base   | (882,519,179)      | (918,522,167)       |
| <b>Taxable Temporary Difference</b>  | <b>339,909,548</b> | <b>314,080,171</b>  |
| Effective Tax Rate   | 25%                | 25%                 |
| <b>Current year Deferred Tax Liabilities</b>   | <b>84,977,387</b>  | <b>78,520,043</b>   |
| Opening Deferred Tax Liabilities   | 78,520,043         | 91,219,792          |
| <b>Deferred Tax Expenses/(Income)</b>  | <b>6,457,344</b>   | <b>(12,699,749)</b> |
| <b>27.00 Earnings Per Share</b>  |                    |                     |
| Earning Per Share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 Earnings Per Share.   |                    |                     |
| <b>Weighted average number of ordinary shares outstanding during the year</b>  |                    |                     |
| This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by the weighted factor.  |                    |                     |
| <b>Diluted earnings per share</b>  |                    |                     |
| The objective of diluted earnings per share is consistent with that of basic earning per share; that is, to provide a measure of the interest of each ordinary shares in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the year. Diluted earnings per share is calculated for 30 June 2019 for the issuance of bonus share. |                    |                     |
| Net Profit after taxes   | 118,942,931        | 143,323,416         |
| Weighted average number of ordinary share  | 136,500,000        | 136,500,000         |
| <b>Earnings per share (Diluted)</b>  | <b>0.87</b>        | <b>1.05</b>         |



Earnings per share (EPS) has been calculated in accordance with IAS - 33 : "Earnings per share (EPS)". Previous year's EPS has been restated by taking dilution into account due to issue of bonus share. Actual EPS for 30 June 2019 was Taka 1.15 per share.

#### 27.01 Weighted average number of Ordinary Shares

| Particulars                        | No. of Shares      | Days | Weight | Weighted Average No. of Shares |                    |
|------------------------------------|--------------------|------|--------|--------------------------------|--------------------|
|                                    |                    |      |        | 30-Jun-20                      | 30-Jun-19          |
| Opening balance                    | 130,000,000        | 365  | 1.0000 | 130,000,000                    | 100,000,000        |
| Issued Bonus Share<br>(06.11.2019) | 6,500,000          | 365  | 1.0000 | 6,500,000                      | 25,068,493         |
| <b>Total</b>                       | <b>136,500,000</b> |      |        | <b>136,500,000</b>             | <b>125,068,493</b> |

#### 28.00 Net Asset Value (NAV) Per Share

|  | Amount in Taka       |                      |
|--|----------------------|----------------------|
|  | 30-Jun-20            | 30-Jun-19            |
| Total Assets                           | 2,456,206,796        | 2,301,722,707        |
| Less: Total Liabilities                | 258,096,919          | 168,279,761          |
| <b>Net Asset Value</b>                 | <b>2,198,109,877</b> | <b>2,133,442,946</b> |
| Total Number of Shares outstanding     | 136,500,000          | 136,500,000          |
| <b>Net Asset Value (NAV) Per Share</b> | <b>16.10</b>         | <b>15.63</b>         |

Net asset value per share (NAV) has been computed by dividing total assets by the number of ordinary shares outstanding as on 30 June 2020 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NAV has been restated due to issue of bonus share. Actual NAV for 30 June 2019 was Taka 16.41 per share.

#### 29.00 Net Operating Cash Flow Per Share (NOCFPS)

|   |             |             |
|---|-------------|-------------|
| Net Operating Cash Flow                           | 150,619,695 | 189,978,913 |
| Weighted Average Number of Shares Outstanding     | 136,500,000 | 136,500,000 |
| <b>Net Operating Cash Flows Per Share(NOCFPS)</b> | <b>1.10</b> | <b>1.39</b> |

Net operating cash flow per share (NOCFPS) has been computed by dividing net operating cash flow by the number of ordinary shares outstanding as on 30 June 2020 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NOCFPS has been restated due to issue of bonus share. Actual NOCFPS for 30 June 2019 was Taka 1.52 per share.

#### 30.00 Revenue from contracts with customers

The Company has recognized the following amount in the statement of profit and loss

|  |             |             |
|--|-------------|-------------|
| Revenue from contract with customer (Note no-20.00)        | 763,335,406 | 732,450,190 |
| <b>Segregation of revenue from contracts with customer</b> |             |             |
| Revenue from external customer                             | 763,335,406 | 732,450,190 |
| Timing of revenue recognition at a point in time           | 763,335,406 | 732,450,190 |

#### Contract assets and liabilities

The Company has recognized no contract assets and liabilities.



**31.00 Financial instruments- fair value****Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**30-Jun-20**

| Particulars   | Note  | Carrying amount                |                         |                       |                                     |                             | Total              |
|---|-------|--------------------------------|-------------------------|-----------------------|-------------------------------------|-----------------------------|--------------------|
|   |       | Fair value hedging instruments | Mandatory at fair value | FVOC-debt instruments | Financial assets at amortized value | Other financial liabilities |                    |
| <b>Financial assets measured at fair value</b>          |       |                                |                         |                       |                                     |                             | -                  |
| <b>Financial assets not measured at fair value</b>      |       |                                |                         |                       |                                     |                             | -                  |
| Trade receivables                                       | 9.01  | -                              | -                       | -                     | 259,997,499                         | -                           | 259,997,499        |
| Fixed Deposits Receipts (FDR)                           | 11.00 | -                              | -                       | -                     | 22,579,502                          | -                           | 22,579,502         |
| Cash and cash equivalents                               | 12.00 | -                              | -                       | -                     | 36,412,280                          | -                           | 36,412,280         |
|   |       |                                |                         |                       | <b>318,989,281</b>                  |                             | <b>318,989,281</b> |
| <b>Financial liabilities measured at fair value</b>     |       |                                |                         |                       |                                     |                             | -                  |
| <b>Financial liabilities not measured at fair value</b> |       |                                |                         |                       |                                     |                             | -                  |
| Short term loans  | 18.00 | -                              | -                       | -                     | -                                   | 26,680,475                  | 26,680,475         |
| Trade payable   | 17.01 | -                              | -                       | -                     | -                                   | 6,542,477                   | 6,542,477          |
| Lease liabilities                                       | 16.00 | -                              | -                       | -                     | -                                   | 13,283,486                  | 13,283,486         |
| Current portion of lease liabilities                    | 16.00 | -                              | -                       | -                     | -                                   | 5,722,394                   | 5,722,394          |
|   |       |                                |                         |                       |                                     | <b>52,228,832</b>           | <b>52,228,832</b>  |





| Particulars   | Note  | Carrying amount                |                         |                       |                                     |                             | Total              |
|---|-------|--------------------------------|-------------------------|-----------------------|-------------------------------------|-----------------------------|--------------------|
|   |       | Fair value hedging instruments | Mandatory at fair value | FVOC-debt instruments | Financial assets at amortized value | Other financial liabilities |                    |
| <b>Financial assets measured at fair value</b>          |       |                                |                         |                       |                                     |                             | -                  |
| <b>Financial assets not measured at fair value</b>      |       |                                |                         |                       |                                     |                             | -                  |
| Trade receivables                                       | 9.01  | -                              | -                       | -                     | 254,961,024                         | -                           | 254,961,024        |
| Fixed Deposits Receipts (FDR)                           | 11.00 | -                              | -                       | -                     | 251,800,000                         | -                           | 251,800,000        |
| Cash and cash equivalents                               | 12.00 | -                              | -                       | -                     | 42,391,451                          | -                           | 42,391,451         |
|   |       |                                |                         |                       | <b>549,152,475</b>                  |                             | <b>549,152,475</b> |
| <b>Financial liabilities measured at fair value</b>     |       |                                |                         |                       |                                     |                             | -                  |
| <b>Financial liabilities not measured at fair value</b> |       |                                |                         |                       |                                     |                             | -                  |
| Trade payable   | 17.01 | -                              | -                       | -                     | -                                   | 4,391,454                   | 4,391,454          |
|   |       |                                |                         |                       |                                     | <b>4,391,454</b>            | <b>4,391,454</b>   |



**32.00 Disclosure as per requirement of the Companies Act, 1994****32.01 Disclosure as per Schedule XI, part I, para 4 of the Companies Act, 1994 are given below:**

| Sl. No.       | Particulars  | Amount in Taka     |                    |
|---------------|--|--------------------|--------------------|
|               |  | 30-Jun-20          | 30-Jun-19          |
| 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.   | 259,997,499        | 254,961,024        |
| 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.  | -                  | -                  |
| <b>Total:</b> |  | <b>259,997,499</b> | <b>254,961,024</b> |

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

| Sl. No.       | Particulars  | 30-Jun-20          | 30-Jun-19          |
|---------------|--|--------------------|--------------------|
|               |  | 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.  | 133,737,517        | 100,849,456        |
| 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.  | 9,289,365          | 8,756,210          |
| <b>Total:</b> |  | <b>143,026,882</b> | <b>109,605,666</b> |

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

| Particulars  | 30-Jun-20          |                    | 30-Jun-19          |                    |
|--------------|--------------------|--------------------|--------------------|--------------------|
|              | Quantity (Pcs/PHs) | Amount in Taka     | Quantity (Pcs/PHs) | Amount in Taka     |
| Tablet       | 126,282,745        | 435,928,036        | 125,337,499        | 423,368,957        |
| Capsule      | 36,768,562         | 241,975,160        | 35,010,175         | 228,112,147        |
| Liquid       | 1,441,170          | 66,146,829         | 1,425,234          | 61,709,463         |
| Dry Syrup    | 215,316            | 19,285,381         | 209,953            | 19,259,623         |
| <b>Total</b> | <b>164,707,793</b> | <b>763,335,406</b> | <b>161,982,861</b> | <b>732,450,190</b> |

- 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-2020    |                    | 30-Jun-2019    |                    |
|--|----------------|--------------------|----------------|--------------------|
|  | R M (Kg)       | Amount in Taka     | R M (Kg)       | Amount in Taka     |
| Opening stock                          | 248,168        | (187,257,845)      | 248,514        | 186,725,468        |
| Purchase                               | 364,962        | 277,564,209        | 298,574        | 226,761,684        |
| Raw material available for consumption | <b>613,130</b> | <b>90,306,364</b>  | <b>547,088</b> | <b>413,487,152</b> |
| Closing stock                          | (309,746)      | (235,571,405)      | (248,168)      | (187,257,845)      |
| <b>Raw material consumed</b>           | <b>303,384</b> | <b>325,877,769</b> | <b>298,920</b> | <b>600,744,997</b> |

(ii) Finished goods:

| Classes of Goods | 30-Jun-20         |                    |                   | 30-Jun-19         |                    |                   |
|------------------|-------------------|--------------------|-------------------|-------------------|--------------------|-------------------|
|                  | Opening Qty.      | Production Qty.    | Closing Qty.      | Opening Qty.      | Production Qty.    | Closing Qty.      |
| Tablet (Pcs.)    | 20,247,143        | 126,164,150        | 20,128,548        | 20,573,182        | 125,011,460        | 20,247,143        |
| Capsule (Pcs.)   | 12,184,740        | 36,779,318         | 12,195,496        | 12,165,206        | 35,029,709         | 12,184,740        |
| Liquid (PHs.)    | 217,583           | 1,434,900          | 211,313           | 238,951           | 1,403,866          | 217,583           |
| Dry Syrup (PHs.) | 39,080            | 208,020            | 31,785            | 43,449            | 205,584            | 39,080            |
| <b>Total</b>     | <b>32,688,546</b> | <b>164,586,388</b> | <b>32,567,141</b> | <b>33,020,789</b> | <b>161,650,619</b> | <b>32,688,546</b> |

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, 2020

| Salary Range (Monthly)                                 | Total Employee | Officer & Staff |           | Worker & Employee |            |
|--|----------------|-----------------|-----------|-------------------|------------|
|  |                | Head Office     | Factory   | Field             | Factory    |
| Number of Employees whose salary below taka 3,000 p.m. | -              | -               | -         | -                 | -          |
| Number of Employees whose salary above taka 3,000 p.m. | <b>914</b>     | 75              | 30        | 627               | 182        |
| <b>Total for the year ended 30 June, 2020</b>          | <b>914</b>     | <b>75</b>       | <b>30</b> | <b>627</b>        | <b>182</b> |
| <b>For the year ended 30 June, 2019</b>                | <b>1,018</b>   | 75              | 31        | 718               | 194        |

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

| Payment to directors within the year ending 30 June, 2020 is as follows:.  | 30-Jun-20 | 30-Jun-19 |
|--|-----------|-----------|
| (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       |
| (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       |



|  | 30-Jun-20 | 30-Jun-19 |
|--|-----------|-----------|
| (f) Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable; (Board meeting fees) | 327,750   | 310,500   |
| (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       |

**32.05 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-20          | 30-Jun-20         |                           |
| Tablet       | 200.00             | 126.16            | 63.08%                    |
| Capsule      | 58.00              | 36.78             | 63.41%                    |
| Liquid       | 2.00               | 1.44              | 72.00%                    |
| Dry Syrup    | 0.30               | 0.21              | 70.00%                    |
| <b>Total</b> | <b>257.25</b>      | <b>164.59</b>     | <b>63.98%</b>             |

**32.06 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, 2020 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. | 178,778        | 140,798,556        |
| ii           | Packing Materials         | Pcs/Kg  | 50,906         | 19,052,059         |
| iii          | Components of Spare parts | Set     | 60             | 323,421            |
| iv           | Capital Goods             | Set     | 1              | 2,368,069          |
| <b>Total</b> |                           |         | <b>229,745</b> | <b>162,542,105</b> |

- 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<br>(in BDT) | Imported in<br>percentage (%) | Indigenous<br>Value (in BDT) | Indigenous in<br>percentage(%) | Total              |
|----------------------------|----------------------------|-------------------------------|------------------------------|--------------------------------|--------------------|
| Raw Materials              | 80,507,865                 | 35.12%                        | 148,742,784                  | 64.88%                         | 229,250,649        |
| Packing Materials          | 17,939,787                 | 14.30%                        | 107,500,394                  | 85.70%                         | 125,440,181        |
| Components and Spare parts | 355,221                    | 1.67%                         | 20,866,918                   | 98.33%                         | 21,222,139         |
| <b>Total</b>               | <b>98,802,873</b>          | <b>26.28%</b>                 | <b>277,110,096</b>           | <b>73.72%</b>                  | <b>375,912,969</b> |

- 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

### 33.00 Reconciliation of Net income with Cash Flows from Operating Activities

| Particulars   | 01 July 2019<br>to 30 June<br>2020 | 01 July 2018 to<br>30 June 2019 |
|---|------------------------------------|---------------------------------|
| <b>Net Profit before Income tax</b>                                   | <b>159,087,248</b>                 | <b>157,318,884</b>              |
| <b>Adjustment for:</b>  |                                    |                                 |
| Depreciation  | 68,676,404                         | 52,340,918                      |
| Amortization  | 4,620,610                          | -                               |
| Finance Expense   | 1,459,132                          | 6,336,399                       |
|   | <b>74,756,146</b>                  | <b>58,677,317</b>               |
| <b>Change in operating assets</b>                                     |                                    |                                 |
| Decrease (Increase) in Advances, deposits, Prepayments.               | (7,532,243)                        | 22,027,924                      |
| Decrease (Increase) in Trade & Other Receivable                       | (4,166,354)                        | (9,469,106)                     |
| Increase (Decrease) in Accounts and Other Payable                     | 3,478,383                          | (70,539)                        |
| Increase (Decrease) in Provision and Accruals                         | 508,103                            | (1,556,132)                     |
| Decrease (Increase) in Inventories                                    | (46,916,015)                       | (7,688,251)                     |
| Income Tax Paid   | (28,595,573)                       | (29,261,184)                    |
| <b>Net Cash Generated From Operating activities (indirect method)</b> | <b>150,619,695</b>                 | <b>189,978,913</b>              |
| <b>Net Cash Generated From Operating activities (Direct method)</b>   | <b>150,619,695</b>                 | <b>189,978,913</b>              |

### 34.00 Disclosures as per IAS 24 Related Party disclosures are as follows:

The party is related to the company if the party cast significant influence over the subject matters and also holding the controlling power of the management affairs of the company and any transaction made during the year with party related transaction as per IAS-24 "Related Party Disclosure".





### 34.01 Disclosure of Key Management Personnel Benefits

#### (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 30.06.2020 |
|--|--|-----------------------|--|----------------------------------|
| Dr. Saira Khan   | Managing Director & 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. Farhana Mirza   | Director                                 | Board Meeting Fees    | 43,125   | -                                |
| 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    | 34,500   | -                                |
| Md. Nazrul Islam (Representative of ICB)                                     | Director                                 | Board Meeting Fees    | 8,625  | -                                |
| Md. Musfiqur Rahman, FCA   | Independent Director                     | Board Meeting Fees    | 43,125   | -                                |
| Mrs. Tanha Zarrin Ahmed  | Independent Director                     | Board Meeting Fees    | 8,625  | -                                |
| Muhammad Moniruzzaman, FCA   | Independent Director                     | Board Meeting Fees    | 17,250   | -                                |
| Mr. A. R. Hassan Mirza   | Executive Director & Sponsor Shareholder | Salary & Allowances   | 3,600,000  | 300,000                          |
|  |  | Office Rent           | 1,593,720  | 132,810                          |
| <b>Total</b>   |  |                       | <b>6,721,470</b>                                   | <b>532,810</b>                   |

|                  |
|------------------|
| <b>30-Jun-20</b> |
|------------------|

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

Nil  
Nil  
Nil  
Nil

### 35.00 General:

#### 35.01 Capital Expenditure Commitment:

There was no capital expenditure contracted except contract for construction of new factory building using IPO fund as on 30 June 2020. and material capital expenditure authorized by the board.

#### 35.02 Claim not Acknowledged as Debts:

There is no claim against the company which have been acknowledged as debt as at 30 June, 2020.

#### 35.03 Commission, Brokerage or Discount:

No brokerage or discount other than usual trade discount against sales was paid during the year. As there was no sales agent, commission therefore was not paid.

#### 35.04 Un-availed Credit Facilities:

There are no credit facilities available to the company under any contract (other than trade credit available in ordinary course of business) at the Statement of Financial Position date.



## Virtual Annual General Meeting (AGM) Logistics

Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/94-231/25 dated 08 July, 2020; a listed company can arrange virtual Annual General Meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing COVID-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others the 19<sup>th</sup> AGM (Virtual Meeting) of Silva Pharmaceuticals Limited is scheduled to be held on Wednesday, 30<sup>th</sup> December, 2020 at 12.00 Noon through Digital (Virtual) Platform and online shareholders' tools that enable/facilitate shareholders to participate fully, and equally, from any location around the world.



### DATE



**WEDNESDAY  
30TH DECEMBER, 2020**

### TIME



**12:00 NOON**

### LIVE WEBCAST



**[http://silvaphlagm2020.  
digitalagmbd.net](http://silvaphlagm2020.digitalagmbd.net)**











**SILVA PHARMACEUTICALS LIMITED**

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

**Proxy Form**

I/We.....of.....  
 .....being a shareholder hold.....No. of  
 shares 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 19th Annual General Meeting (AGM) of the company  
 to be held on 30th December, 2020 at 12.00 noon through Digital (Virtual) Platform 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 December, 2020.

\_\_\_\_\_  
 Signature of the Shareholder

Affix  
 20 Taka  
 Revenue  
 Stamps

\_\_\_\_\_  
 Signature of the proxy

Shareholders Folio No:

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 19th Annual General Meeting (AGM) of Silva Pharmaceuticals Ltd. To be held on 30th December, 2020 at 12.00 noon through Digital (Virtual) Platform.

Name of shareholder / proxy .....No. of Share.....

Shareholders Folio No:

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.

করোনা ভাইরাস

সংক্রমণ রোধে জীবাণুমুক্ত জীবনের নিশ্চয়তায়



সে ফ্ টি স ল<sup>®</sup>



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জীবাণুমুক্ত পরিবেশ নিশ্চিত করতে ব্যবহৃত হয়



Silva Pharmaceuticals Limited

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