

**AUDITORS' REPORT**  
*on*  
**Utilization of IPO Proceeds**

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of Silva Pharmaceuticals Limited for the month ended 30 November 2021 as per required by Bangladesh Securities and Exchange and Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1969.

**Management's Responsibility for the IPO proceeds Utilization**

Management is responsible for the preparation and fair presentation of these IPO proceeds utilization statement in accordance with Bangladesh Securities and Exchange Commission Rules 1987, Condition laid down in clause 2, 3, 5 & 6 of PART- C of consent letter # BSEC/CI/IPO-269/2017/429, Dated 28 June 2018 and other applicable laws and regulations.

**Auditor's Responsibility**

Our responsibility is to express an independent opinion on these Initial Public Offering (IPO) proceeds utilization statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA), Bangladesh Securities and Exchange Commission Rules 1987, Condition laid down in clause 2, 3, 5 & 6 of PART- C of consent letter # BSEC/CI/IPO-269/2017/429, Dated 28 June 2018 and other applicable laws and regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our Opinion, the Statement of Initial Public Offering (IPO) Proceeds Utilization, prepared in accordance with Bangladesh Securities and Exchange Commission Rules 1987 and Condition laid down in clause 2, 3, 5 of PART- C of consent letter # BSEC/CI/IPO-269/2017/429, Dated 28 June, 2018 and other applicable laws and regulations, gives a true and fair view of the statement for the month 30 November 2021.

**As per TOR, we draw attention to the following matter:**

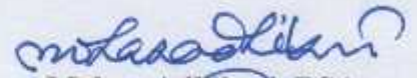
1. During the month of November 2021, no expense has been incurred in respect of Civil Construction. However, the company has utilized accumulative amount of Tk. 60,532,650 up to 30 November 2021, which was 104.26% of the amount specified in the prospectus and thereafter revised utilization plan for the purpose of Civil Construction. As such, approval was a pre-requisite from the respected shareholders and concerned regulatory authority for the excess utilized amount of Tk. 2,474,124.

2. During the month of November 2021, no expense has been incurred in respect of Purchase new Machinery and Equipment's. However, the company has utilized accumulative amount of Tk. 32,585,847, which was 26.60% up to 30 November 2021 in respect of Purchase of Machinery and Equipment's.
3. The Company has utilized Tk. 99,000,000 which was 100% of the budgeted amount up to 30 November 2021 for the purpose of loan repayment as specified in the prospectus.
4. The Company has utilized Tk. 20,441,474 which was 100% of the budgeted amount up to 30 November for the purpose of IPO expenses as specified in the prospectus and thereafter revised utilization plan.

**We also state that:**

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus and thereafter revised utilization plan except the above said issues no.1 of the Company;
- b) IPO proceeds have been utilized in so far line with the conditions of the BSEC's consent letter for the IPO except the above said issues no. 1.
- c) The time frame for completion of the utilization of IPO proceeds was revised and will be completed within the time frame as specified in the resolution of 19<sup>th</sup> Annual General Meeting (AGM).
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus and 18<sup>th</sup> AGM of the Company.
- e) Audit statement has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with bank statements.

**Dhaka, Bangladesh**  
Dated: 12 December 2021

  
**Mohan Adhikari, FCA**

**Partner**

ICAB Enroll no: 1729

**Pinaki & Company**

Chartered Accountants



**Report on Utilization of IPO Proceeds**  
For the Month of November 2021

Name of the Company: **Silva Pharmaceuticals Limited**  
Amount (BDT) of capital raised through IPO: **BDT 300,000,000**  
Date of Close of Subscription: **05 August 2018**  
Proceeds Received: Date: **10 October 2018**  
Last Date of Full Utilization of IPO Proceeds as per Prospectus: As stated in time line columns

Name of the Company: **Silva Pharmaceuticals Limited**  
Amount (BDT) of capital raised through IPO: **BDT 300,000,000**  
Date of Close of Subscription: **05 August 2018**  
Proceeds Received: Date: **10 October 2018**  
Last Date of Full Utilization of IPO Proceeds as per Prospectus: As stated in time line columns

S.L	Purpose mentioned in the prospectus / With AGM	Time Line		Amount as per Prospectus	Amount as per IPO AGM	Amount as per Prospectus per 100 AGM	Status of Utilization					Remarks		
		As per Prospectus	As per 10th AGM				Opening	During the Month	Total Utilized Amount	Utilized %	Excess Utilized amount		Excess-utilized %	Total unutilized amount
1	Civil Construction	09/04/2020	09/10/2020	58,000,000	31/12/2022	58,000,000	60,572,650	-	104.26	2,474,124	4.26	-	-	
2	Machinery and Equipment	09/04/2020	09/10/2020	122,500,000	31/12/2022	122,500,000	32,585,847	-	26.60	-	-	89,914,153	73.40	
3	Repayment of Bank Borrowing as prospectus	09/01/2019	N/A	99,000,000	N/A	99,000,000	99,000,000	-	100.00	-	-	-	-	
4	IPO Expenses	N/A	N/A	22,500,000	N/A	22,500,000	20,441,474	-	100.00	-	-	-	-	
<b>Total</b>						<b>300,000,000</b>	<b>300,000,000</b>	<b>212,559,971</b>	<b>-</b>	<b>70.85</b>	<b>3,474,124</b>	<b>0.82</b>	<b>89,914,153</b>	<b>29.97</b>

**Notes:**

- Actual application was received almost 25-7% times.
- IPO proceeds have been utilized for the purposes/bands as specified in the prospectus and in line with the condition of the Commission's consent letter.
- Interest on IPO Proceeds in BDT (from FDR & SND).
- Un-utilized IPO Proceeds with interest income in BDT.

  
**Silvana Mirza**  
Chairman

  
**Dr. Silva Khan**  
Managing Director

  
**Md. Abul Kasem**  
Chief Financial Officer

  
**Md. Jafar Hossain**  
Company Secretary

  
**Md. Jafar Hossain**  
Partner  
ICAB Enrol. No. 1729  
**Pinaki & Company**  
Chartered Accountants

Dhaka  
Dated: 11 December 2021