

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 September 2022 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 September 2022.

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

1. During the month of September 2022 no expenses has been incurred in respect of Civil Construction. However, the company has utilized accumulative amount of Tk. 60,532,650 up to 30 September 2022 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 September 2022 amounting to Tk. 4,954 has been incurred in respect of purchase of new Machinery and Equipment's. However, the company has utilized accumulative amount of Tk. 83,710,847 which was 68.34% up to 30 September 2022 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 September 2022 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 September 2022 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 19th Annual General Meeting (AGM).
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus and 18th 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: 10 October 2022



Mohan Adhikari, FCA
Partner
ICAB Enroll no: 1729
Pinaki & Company
Chartered Accountants


Report on Utilization of IPO Proceeds
For the Month of September 2022

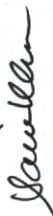
Name of the Company: **Silva Pharmaceuticals Limited**
Amount (BDT) of capital raised through IPO: **BDT 300,000,000**
Date of Close of Subscription: **05 August 2018**
Proceeds Receiving Date: **10 October 2018**
Last Date of Full Utilization of IPO Fund as per Prospectus: **As stated in time line columns**

| S.L. | Purpose mentioned in the prospectus / 18th AGM | Time Line | | | Amount as per Prospectus | Amount as per 18th AGM | Status of Utilization | | | | | Remarks | | | |
|--------------|--|-------------------|-----------------|-----------------|--------------------------|------------------------|-----------------------|------------------|-----------------------|--------------|------------------------|-------------|-------------------|-------------------------|---------------|
| | | As per Prospectus | As per 18th AGM | As per 19th AGM | | | Opening | During the Month | Total Utilized Amount | Utilized % | Excess Utilized amount | | Excess utilized % | Total unutilized amount | Un-utilized % |
| | | | | | | | | | | | | | | | |
| 1 | Civil Construction | 09.04.2020 | 09.10.2020 | 31.12.2022 | 56,000,000 | 58,058,526 | 60,532,650 | - | 2,474,124 | 104.26 | 2,474,124 | 4.26 | - | - | - |
| 2 | Machinery and Equipment | 09.04.2020 | 09.10.2020 | 31.12.2022 | 122,500,000 | 122,500,000 | 83,710,847 | 4,954 | - | 68.34 | - | - | 38,789,153 | 31.66 | - |
| 3 | Repayment of Bank Borrowing at prospectus | 09.01.2019 | N/A | N/A | 99,000,000 | 99,000,000 | 99,000,000 | - | - | 100.00 | - | - | - | - | - |
| 4 | IPO Expenses | N/A | N/A | N/A | 22,500,000 | 20,441,474 | 20,441,474 | - | - | 100.00 | - | - | - | - | - |
| Total | | | | | 300,000,000 | 300,000,000 | 263,680,017 | 4,954 | 2,474,124 | 87.89 | 2,474,124 | 0.82 | 38,789,153 | 12.93 | |

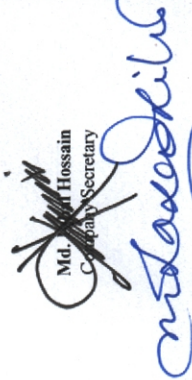
Notes:


- Actual application was received almost 25.76 Times.
- IPO proceeds have been utilized for the purposes/heads 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) -
24,989,516
- Un-Utilized IPO Proceeds with interest income in BDT -
61,304,546


Silvana Mirza
Chairman


Dr. Saira Khan
Managing Director


Md. Abul Kasem
Chief Financial Officer


Md. M. Hossain
Company Secretary


Mohan Adhikari, FCA
Partner
ICAE Enroll. No: 1729
Pinaki & Company
Chartered Accountants

Dhaka
Dated : 10 October 2022