



Silva Pharmaceuticals Limited

Utilization of IPO Fund Proceeds

For the month ended 29 February 2024

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 29 February 2024 as per required by Bangladesh Securities and Exchange 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 29 February 2024.

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

1. During the month of February 2024, no expenses has been incurred in respect of Civil Construction. However, the company has utilized accumulative amount of Tk. 60,532,650 up to 29 February 2024 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 February 2024, no expenses has been incurred in respect of purchase of new Machinery and Equipment's. However, the company has utilized accumulative amount of Tk. 94,317,362 which was 76.99% up to 29 February 2024 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 29 February 2024 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 29 February 2024 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 22nd 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 March 2024


Mesbah Uddin FCA
Partner
ICAB Enroll no: 1533
Pinaki & Company
Chartered Accountants

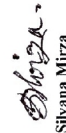
**Report on Utilization of IPO Proceeds
For the Month of February 2024**


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	As per 21st AGM			As per 22nd AGM	During the Month	Total Utilized Amount	Utilized %		Excess Utilized amount	Excess utilized %	Total unutilized amount
1	Civil Construction	09.04.2020	09.10.2020	31.12.2022	N/A	N/A	56,000,000	58,058,526	60,532,650	-	104.26	2,474,124	4.26	-	-
2	Machinery and Equipment	09.04.2020	09.10.2020	31.12.2022	31.12.2024	122,500,000	122,500,000	94,317,362	-	76.99	-	-	-	28,182,638	23.01
3	Repayment of Bank Borrowing at prospectus	09.01.2019	N/A	N/A	N/A	99,000,000	99,000,000	99,000,000	-	100.00	-	-	-	-	-
4	IPO Expenses	N/A	N/A	N/A	N/A	22,500,000	20,441,474	20,441,474	-	100.00	-	-	-	-	-
Total							300,000,000	300,000,000	274,291,486	-	91.43	2,474,124	0.82	28,182,638	9.39

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) -
- Un-Utilized IPO Proceeds with interest income in BDT -


Silvana Mirza
Chairman


Dr. Saira Khan
Managing Director


Md. Abdul Kaseem
Chief Financial Officer


Md. Anwar Hossain
Company Secretary


Mesbah Uddin FCA
Partner
ICAB Enroll. No. 1533
Pinaki & Company
Chartered Accountants

Dhaka
Dated : 10 March 2024