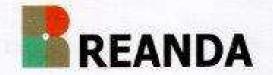


Silva Pharmaceuticals Limited Utilization of IPO Fund Proceeds

For the month ended 30 October 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 31 October 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 2020, 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 2020, Condition laid down in clause 2, 3, 5 & 6 of PART- C of consent letter # BSEC/Cl/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.

Qualified Opinion

In our Opinion, except for, Paragraph below "Basis for Qualified Opinion" the Statement of Initial Public Offering (IPO) Proceeds Utilization, prepared in accordance with Bangladesh Securities and Exchange Commission Rules 2020 and Condition laid down in clause 2, 3, 5 of PART- C of consent letter # BSEC/Cl/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 31 October 2024.

Basis for Qualified Opinion

As of August 31, 2024 Total FDR balance was Tk.54,482,929 of IPO Fund including interest thereof in Account # 401253200004347, Shatmasjid Branch, Shahjalal Islamic Bank PLC which was reported monthly with due course. On September 26, 2024 an amount of Tk. 4,482,929.44 had been transferred out of interest of unutilized IPO fund to CD account # 401211100007640 of the same Bank of the company. There appeared a violation of IPO fund utilization without due consent from the appropriate authority.







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

- During the month of October 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 31 October 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.
- During the month of October 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 31 October 2024 in respect of Purchase of Machinery and Equipment's.
- The Company has utilized Tk. 99,000,000 which was 100% of the budgeted amount up to 31.
 October 2024 for the purpose of loan repayment as specified in the prospectus.
- The Company has utilized Tk. 20,441,474 which was 100% of the budgeted amount up to 31
 October 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.
- e) 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 22st 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.

Mesbah Uddin FCA

Partner

ICAB Enroll No.: 1533 FRC Enlistment No.: CA-001-177

Pinaki & Company

Chartered Accountants

FRC Firm Enlistment No.: CAF-001-133

Dhaka, Bangladesh Dated: 10 November 2024

Name of the Company: Amount (BDT) of capital raised through IPO Date of Close of Subscription: Processis Receiving Date: Last Date of Full Utilization of IPO Fund as per Pros (Amount in BDT) Status of Ut Eccess Utilized amount Total Utilized Amount As per Prospecta As per 18th AGM As per 19th AGM As per 21st AGM 09.04.202 58,058,526 60,532,650 104.20 2,474,124 4.20 94,317,362 23.00 31 12 2024 122,500,00 31,12,202 31.12.2023 09.04.202 09.10.202 N/A 99.000.000 99,000,800 100.06 20,441,474 100.00 4 NA 1PO Expenses NGA NA N/A N/A 22,500,000 20,441,47 20,441,47

BDT 300,000,000 05 August 2018 10 October 2018

c) Interest on IPO Proceeds in BDT (from FDR & SND) - Net of Charges, Tax and Dunes etc.

Fotal

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Saw Dr. Saira Khan Managing Directo

274,291,486

91.43

2,474,124

9.82

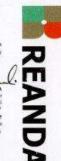
28,152,638

Md. Abul Kasem Chief Financial Offic



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Chartered Accountants
tent No. CAF-001-133



Pinaki & Company পনাকা এণ্ড কোম্পান

Chartered Accountants