



Silva Pharmaceuticals Limited
Utilization of IPO Fund Proceeds
For the month ended 31 December 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 December 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/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.

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/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 31 December 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.

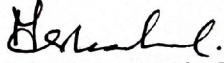
As per TOR, we draw attention to the following matter:

1. During the month of December 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 December 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 December 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 December 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 31 December 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 31 December 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: 07 January 2025


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

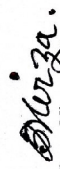
**Report on Utilization of IPO Proceeds
 For the Month of December 2024**


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	During the Month	Status of Utilization			Remarks		
		As per Prospectus	As per 18th AGM	As per 19th AGM	As per 21st AGM				As per 22nd AGM	Total Utilized Amount	Utilized %		Excess Utilized amount	Excess-utilized %
1	Civil Construction	09.04.2020	09.10.2020	31.12.2022	N/A	N/A	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) - Net of Charges, Tax and Duties etc.
- Un-Utilized IPO Proceeds with interest income in BDT -

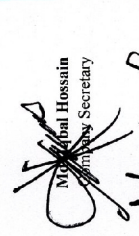

 Silyana Mirza
 Chairman



 Dr. Saikat Khan
 Managing Director

Mohammad Enayet Ullah
 DGM (Operations) & CEO (c.c)
 Silva Pharmaceuticals Limited

29,724,415
 50,950,000


 Md. Abul Kasem
 Chief Financial Officer


 Md. Abul Hossain
 Managing Secretary


 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
 Dated : 07 January 2025