Healing Minds ...
Healing Hearts ...

17th Annual Report | 2017-18











Silva Pharmaceuticals Limited

www.silvapharma.com

Table of Contents

- Letter of Transmittal 02
- Notice of the 17th Annual General Meeting 03
- Corporate Directory 04
- Corporate Review 05
- Chairman's Statement 06
- Directors' Report to the Shareholders 07-15
- Our Principal Products and Services 16-19
- Audit Committee Report 20
- CEO & CFO's Declaration to the Board 21-22
- Certificate of Corporate Governance Code 23
- Status of the Compliance of Corporate Governance Code 24-35
- Auditors Report to the Shareholders 36
- Statement of Financial position 37
- Statement of Profit or Loss and Other Comprehensive Income 38
- Statement of Changes in Equity 39
- Statement of Cash Flows 40
- Notes to the Financial Statements 41-67
- Shareholder's Note 68
- Proxy Form & Attendance Slip 69

AMAR STOCK

LETTER OF TRANSMITTAL

To

All Valued Shareholders

Bangladesh Securities and Exchange Commission (BSEC)

Registrar of Joint Stock Companies & Firms of Bangladesh

Subject: **Annual Report for the year ended 30 June, 2018.**

Dear Sir (s),

We are pleased to enclose a copy of the annual report together with the Audited Financial Statements including Statement of Financial Position as at 30 June, 2018, Statement of Profit or Loss and Other Comprehensive income, Statement of Changes in Equity, Statement of Cash Flows for the year 30 June, 2018 along with notes thereon, Auditors' and Directors' Reports for your record/ necessary measures.

Yours Sincerely,

Sd/-
(Md. Iqbal Hossain)
Company Secretary

AMAR STOCK

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting (AGM) of the shareholders of Silva Pharmaceuticals Limited (SPL) will be held on Tuesday, 28th August, 2018 at 09.30 a.m. at Corporate & Registered office, House # 65, Road # 8/A, Dhanmondi, Dhaka-1209 for transacting the following business:

AGENDA

1. *To receive, consider and adopt the Financial Statements of the company for the year ended 30 June, 2018 and the Reports of the Directors' and the Auditors' thereon;*
2. *To declare dividend for the year ended 30 June, 2018 as recommended by the Board;*
3. *To appoint / elect Directors' as per terms of the relevant provision;*
4. *To appoint statutory Auditors' for the year ended 30 June, 2019 and fixation of their remuneration.*
5. *To transact any other business with the permission of the Chair.*

By Order of the Board,

Sd/-
(Md. Iqbal Hossain)
Company Secretary

Dated: 06 August, 2018

Notes:

i. *Shareholders whose names appeared at the record date i.e. **16th August, 2018** in the share register of the company will be eligible to attend and vote in the Annual General Meeting and to receive dividend as approved in the AGM.*

ii. *Members entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy Form must be affixed with requisite revenue stamp and must be submitted to the registered office of the company not less than 48 hours before the time fixed for the Annual General Meeting.*

iii. *Admission into the meeting venue will be allowed strictly on submission of the attendance slip sent with the notice as well as verification of signature of Member(s) and / of proxy-holder(s).*

AMAR STOCK

Corporate Directory

Silva Pharmaceuticals Limited was incorporated on 24 April, 2001 vides registration no.CH-42959(2318)/2001 as a private limited company in Bangladesh under the Companies Act 1994. Further it was converted into Public Limited Company on 22 April 2014 with Registrar of Joint Stock Companies and Firms (RJSCF) in Bangladesh under the Companies Act, 1994.

Name of the Company	:	Silva Pharmaceuticals Limited (SPL)
Logo	:	Silva Pharmaceuticals Limited সিলভা ফার্মাসিউটিক্যালস লিমিটেড
Legal Position	:	SPL was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. CH-42959(2318)/2001 dated on April 24, 2001 by the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh. The Company Converted into public Limited company on April 22, 2014.
Date of Incorporation	:	April 24, 2001 & Reg. No. CH-42959(2318)/2001
Commencement of its Commercial Operations	:	1-Jul-03
Authorized Capital	:	Tk. 1,500,000,000 divided into 150,000,000 Ordinary Share of Tk. 10.00 each
Paid up Capital	:	Tk. 1,000,000,000 divided into 100,000,000 Ordinary Share of Tk. 10.00 each
Registered &Corporate Office	:	House # 65, Road # 8/A (New), Dhanmondi, Dhaka-1209. Tel: +88-02-8129915, +88-02-9146009 Fax: +88-02-9146013 Email: info@silvapharma.com Web: www.silvapharma.com
Factory	:	Silva Pharmaceuticals Limited, Main Road, Maijdee Court, Noakhali & Binodpur, Maijdee Court, Noakhali. Tel: +88-0321-63301, +88-0321-63302
Board of Directors	:	8 (Eight) Directors.
Auditors'	:	Mahfel Huq & Co., Chartered Accountants 34, Topkhana Road, BGIC Tower (4th Floor), Dhaka-1000. Tel: +88-02-9553143; Fax: +88-02-9571005 E-mail: mahfelcofca@yahoo.com web: www.mahfelhuq.com

Corporate Review

Management Apparatus

(a) Board of Directors:

Mrs. Silvana Mirza	: Chairman
Dr. Saira Khan, MBBS, DCH, FCPS.	: Managing Director
Mrs. Samina Mirza	: Director
Mrs. Farhana Mirza	: Director
Mr. Nazrul Islam Khan (Nominated by ICB)	: Director
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	: Director
Mr. Md. Musfiqur Rahman, FCA	: Independent Director
Mrs. Tanha Zarrin Ahmed, Bar-at-Law	: Independent Director

(b) Audit Committee:

Mr. Md. Musfiqur Rahman, FCA, Independent Director	: Chairman
Mrs. Samina Mirza, Director	: Member
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.), Director	: Member
Mr. Md. Iqbal Hossain, Company Secretary	: Member Secretary

(c) Senior Corporate Officials:

Mr. Md. Iqbal Hossain	: Company Secretary
Mr. Md. Abul Kasem	: Chief Financial officer (CFO)
Mr. ATM Kamrul Ahsan.	: General Manager, Sales and Marketing
Mr. Bourhan Uddin	: Production Manager
Mr. Khurshid Ahmed Siddique	: Head of Internal Audit
Mr. Md. Nazmul Haque	: Head of HRD

(d) Bankers:

Al-Arafah Islami Bank Limited;
Dutch Bangla Bank Limited;
NCC Bank Limited.
National Bank Limited.
Union Bank Limited
Jamuna Bank Limited.
Shahjalal Islami Bank ltd.

(e) Insurers:

Agrani Insurance Co. Ltd.

AMARSTOCK

Chairman's Statement



Respected Shareholders, Colleagues, Distinguished guests, Ladies and Gentlemen,

Assalamu Alaikum,

It is a great honour and privilege to welcome you on behalf of the Board of the Directors to the 17th Annual general Meeting of the company and submits before you the Annual report containing audited financial statements and reports for the year ended 30 June, 2018 for your consideration and approval.

During the year under review, this is evident from the performance of the company under an efficient management with full support and contribution of you and the Board of Directors that the company is achieving a high degree of prosperity. I also would like to take this opportunity to thanks Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms (RJSC), Banks, Insurers, and the Society at large who consider the company as their own.

Silva Pharmaceuticals Limited has passed a successful year during the year 2017-2018. We believe that our endeavours and teamwork have enabled the Company to maintain its profitability under competitive industry scenario.

However, the company increased its net turnover to Tk. 68.52 crores up by 13.72 % from the previous year. This increase has been possible due to utilization of expansion capacity, use of new infrastructure with GMP facilities, manufacturing of more sophisticated new products having high profit margin and good management policies for reducing the overall manufacturing overhead cost. Moreover, the production has been increased significantly over the years, which is the main cause for keeping the fixed manufacturing cost at the minimum level. The Net Profit after Tax has increased to Tk. 09.29 which 15.84% higher than the previous year. No dividend was declared by the board for considering requirements of fund for project.

I would like to assure you that, our hard effort to increase the shareholders equity will continue as before. Our efficient management and skilled labour stands the main driving force of company. We strongly believe that the financial growth and market stability of the company will gradually rise in future by utilizing our optimum capacity through better marketing policy.

Thanking you all with wishes of a peaceful prosperity and good health. May the Almighty bless us in all our endeavors.

Sd/-
(Mrs. Silvana Mirza)
Chairman

Directors' Report to the Shareholders

Dear Shareholders,
Assalamu Alaikum,

The Board of Directors' of Silva Pharmaceuticals Limited (SPL) highly pleased to welcome you to the 17th Annual General Meeting of the company. In line with the requirements of the compliance with section 184 of the Companies Act, 1994 and BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018, our company has been presenting Directors' Report covering the financial results and other developments during the year ended 30 June, 2018.

Background:

Silva Pharmaceuticals Limited was incorporated in 24 April, 2001 as a private company limited by shares and registered with the Registrar of Joint Stock Companies & Firms of Bangladesh under the Companies Act, 1994 vide registration no. CH-42959(2318)/2001. On 22 April, 2014 the company registered itself as a Public Limited company under the Companies Act, 1994. The company was getting a consent letter ref: no. BSEC/CI/IPO-269/2017/429 dated June 28, 2018 from Bangladesh Securities and Exchange Commission (BSEC) regarding the raising of share capital of Taka 30.00 (Thirty) crore through Initial Public Offering (IPO).

Revenue:

The overall operating financial results of the company for the year ended 30 June, 2018 as compared to previous year ended 30 June, 2017 are summarized as follows:

Particulars	Amount in Taka	
	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
Turnover	685,233,408	602,491,592
Cost of Goods sold	(412,239,594)	(365,775,793)
Gross Profit/ (Loss)	**272,993,814**	**236,715,799**
Operating Expenses	(125,410,284)	(112,074,765)
Administrative expenses	(26,925,876)	(23,627,690)
Selling & Distribution Expenses	(98,484,408)	(88,447,075)
Operating Income	**147,583,530**	**124,641,034**
Other Income	9,106,860	5,665,239
Financial Expenses	(5,620,364)	(354,646)
Net Profit/ (Loss) before WPPF	**151,070,026**	**129,951,627**
Contribution to WPPF	**(7,193,811)**	**(6,188,173)**
Net Profit/ (Loss) before Income Tax	**143,876,215**	**123,763,454**
Income Tax Expenses	(50,882,274)	(43,484,895)
Current Tax	(45,693,708)	(35,724,236)
Deferred Tax	(5,188,566)	(7,760,659)
Net Profit/ (Loss) after Income Tax	**92,993,941**	**80,278,559**
Earnings Per Share (EPS) (Adjusted 2015)	**0.93**	**1.03**

Industry outlook and possible future developments in the industry:

We are committed to provide sustainable solutions to the healthcare challenges. Our business is successfully operated and our services towards nation are smoothly run by the efficient field forces. We have already introduced some new products and some of them are to be introduced soon.

Thus our sales volume is in increasing rate and our company growth is always in progress. We always stick to our belief and focused ideas and activities to make our dream true. At the same time we are equally focused on low production cost and high quality products. All of our initiatives are directed towards the value creation for our shareholders and customers.

Segment-wise or product-wise performance:

Product wise sales performances are given below:

Name of Item	Quantity (Pcs/PHs)		Amount in Taka	
	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
Tablet	122,315,555	117,914,259	396,076,835	350,448,751
Capsule	32,237,361	31,604,719	213,407,090	189,836,346
Liquid	1,407,291	1,168,539	57,731,415	48,562,231
Dry Syrup	204,350	153,834	18,018,068	13,644,264
Total	156,164,557	150,841,351	685,233,408	602,491,592

However, product wise capacity utilization is given in note no. 27.03 of the Financial Statements.

Risk & Concerns:

Pharmaceuticals industry faces many of the challenges like lack of power, labour unrest, political unrest resulting hartal causing disruption of production and cost of fund. Moreover, risks and concern of the industry solely depends on the upcoming government policy as well.

Cost of goods Sold:

The year's cost of goods sold was Tk. 412.24million (60.16% of Sales) as compared to last year's cost of goods sold of Tk. 365.77 million (60.71% of Sales). This is due to utilization improvement of maximum capacity, use of new infrastructure facilities, manufacturing of more sophisticated new products having high profit margin and good management policies for reducing the overall manufacturing overhead cost. Moreover, the production and/or capacity utilization has been increased significantly over the years, which is the main cause for keeping the fixed manufacturing cost at the minimum level.

Gross Profit:

Gross profit earned during the year was Tk. 272.99 million as against last year's gross profit of Tk. 236.71 million. Gross profit increase due to increase of sales volume and decrease the overall cost of goods sold compared to last year.

Net Profit/ (Loss):

The company earned net profit during the year amounting to Tk. 92.99 million as compared to last year's net profit of Tk. 80.28 million.

Related Party Transaction:

The company has no related party transaction as per BAS-24 except Director's Remuneration, Office rent and Advance against land purchase received by Managing Director and sponsor shareholders of the company. The details statement of related party transaction is given below:

i. Payable with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Payable	Value of goods / Services received during the year	Amount paid during the year	Balance Payable as at 31.03.2018
Dr. Saira Khan	Managing Director	Directors Remuneration	100,000	1,200,000	1,200,000	100,000
Mr. A. R. Hassan Mirza	Sponsor Shareholder	Office Rent	132,810	1,593,720	1,593,720	132,810

ii. Advances with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Balance	Amount paid during the year	Value of Land Received during the year	Balance Payable as at 30.06.2018
Mrs. Sajeda Mirza	Sponsor Shareholder	Land purchase	127,700,000	39,500,000	167,200,000	-

Utilization of Proceeds:

During the year the company has no proceeds from public issue, right issues and/or any other instruments received.

Deterioration of financial Results after IPO, RPO, Right Share Offer, Direct Listing etc.:

There is no deterioration of the financial results during the financial year ended 30 June, 2018.

Significant variance of financial statements:

There is no significant variance that occurred between quarterly financial performances and annual financial statements during the financial year ended 30 June, 2018.

Statement of Remuneration paid to Directors:

The company has no remuneration paid to directors including independent directors except Managing Director during the financial year ended 30 June, 2018.

Discussion on continuity of extra-ordinary gain or loss:

There is no significant extra-ordinary gain or loss occurred during the financial year.

Director's Declaration as to Financial Statements:

The Directors are responsible for the governance of the company and as part of preparation and presentation of the financial statements. The Directors also report that:

(a) The financial statements prepared by the management of the company present a true and fair view of company state of affairs, the result of its operation, cash flows and changes in equity;

(b) Proper books of accounts as required by law have been maintained;

(c) Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates are based on reasonable and prudent judgment;

(d) The financial statements were prepaid in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs);

(e) The CEO and CFO have certified to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(f) The CEO and CFO have certified to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

(g) The CEO and CFO have further certified to the Board that there are to the best of their knowledge and belief no transactions entered into by the company during the year which is fraudulent, illegal or in violation of the company's codes of conduct.

Internal Control:

The system of internal control is sound in design and has been effectively implemented and monitored.

Interest of Minority Shareholders:

Since the company follows corporate governance guidelines in prescribed by the Bangladesh Securities and Exchange Commission (BSEC), so the minority shareholders interest is protected by the Board from controlling shareholders acting.

Going Concern:

While approving the financial statements, the directors have analyzed the financial statements, business operation as well as other indicators for enabling them to understand the ability of the company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future.

Significant deviation from last year's operating result:

The company has no significant deviation from last year's financial result during the financial year ended 30 June, 2018 except the following:

(a) **Earnings per Share (EPS):** The EPS has been reduced from Tk. 1.03 to Tk. 0.93 during the year, since previous year EPS calculation was divided by weighted average no. of shares, this year no weight has been occurred;

(a) **Net Operating Cash Flow per Share (NOCFPS):** The NOCFPS has been increased from Tk. 1.03 to Tk. 1.34 during the year, since the collection from customers was increased from previous year and cash paid for operating & other expenses comparatively decreased during the year.

Key Operating and Financial Data:

The summarized key operating and financial data of five years are given below:

Five Years Operational Results

Particulars	Figures in Taka				
	2017-2018	2016-2017	2015-2016 (13 months)	2014-2015	2013-2014
Operating Data					
Turnover	685,233,408	602,491,592	628,766,245	503,876,753	493,935,421
Gross Profit	272,993,814	236,715,799	249,255,235	189,624,447	203,563,858
Operating Profit	141,963,166	124,286,388	119,797,759	78,860,063	76,888,476
Net Profit before Tax	143,876,215	123,763,454	114,960,883	79,935,521	78,913,901
Net Profit after Tax	92,993,941	80,278,559	74,724,574	51,958,088	49,321,188
Statement of Financial Position Data					
Authorised Capital	1,500,000,000	1,500,000,000	1,500,000,000	500,000,000	500,000,000
Paid-up Capital	1,000,000,000	1,000,000,000	500,000,000	120,000,000	120,000,000
Reserve and Surplus	710,561,004	647,797,063	585,378,504	501,768,736	510,925,399
Shareholders Equity	1,710,561,004	1,647,797,063	1,085,378,504	621,768,736	630,925,399
Fixed Assets	890,460,110	706,738,552	683,068,654	601,143,384	609,703,365
Other Non-Current Assets	197,776,597	136,990,677	118,899,395	-	-
Total Non-Current Assets	1,088,236,707	843,729,229	801,968,049	601,143,384	609,703,365
Current Assets	913,520,356	1,097,434,352	836,930,943	632,864,166	495,210,911
Total Assets	2,001,757,063	1,941,163,581	1,638,898,992	1,234,007,550	1,104,914,276
Non-Current Liabilities	91,219,792	86,031,226	175,310,350	177,932,720	128,032,447
Current Liabilities	199,976,267	207,335,292	224,210,138	216,354,094	255,941,430
Total Liabilities	291,196,059	293,366,518	399,520,488	394,286,814	383,973,877
Financial Ratios					
Gross Profit Ratios (%)	39.84%	39.29%	39.64%	37.63%	41.21%
Operating Income Ratio (%)	20.72%	20.63%	24.90%	24.49%	29.08%
Net Income Ratio (%)	13.57%	13.32%	11.88%	10.31%	9.99%
Debt-Equity Ratio (Times)	0.17	0.18	0.21	0.41	0.52
Return on Equity Ratio (%)	5.44%	4.87%	8.71%	8.47%	8.38%
Current Ratio (Times)	4.57	5.29	3.73	3.05	2.11
Other Data					
Net Asset Value per share (NAV)	17.11	16.48	21.71	52.55	49.65
Earnings Per Share (Basic EPS)	0.93	1.03	1.24	1.06	1.00
Dividend per share	Nil	5% (C)	5% (C)	Nil	Nil
Number of Shareholders	100,000,000	100,000,000	50,000,000	12,000,000	12,000,000
Face Value per share	10.00	10.00	10.00	10.00	10.00
Number of Employees	1,082	1,034	1,034	929	869

Dividend:

No dividend was declared by the Board of Directors *for the year ended 30 June, 2018 (subject to the approval in the forthcoming AGM)*, considering requirements of fund for the upcoming project.

Interim Dividend:

The Board of Directors was not declared any bonus share or stock dividend as interim dividend *for the year ended 30 June, 2018.*

Directors Meeting & Attendance:

During the year ended 30 June, 2018 the Board of Directors held 04 meetings. Directors who attended the Board meeting are shown below:

Name of Directors Attended	***Attended***
Mrs. Silvana Mirza	*04*
Dr. Saira Khan, MBBS, DCH, FCPS.	*04*
Mrs. Samina Mirza	*03*
Mrs. Farhana Mirza	*03*
Mr. Nazrul Islam Khan (Nominated by ICB)	*03*
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	*04*
Mr. Md. Musfiqur Rahman, FCA, Independent Director	*03*
Tanha Zarrin Ahmed, Bar-at-Law, Independent Director	*03*

The Directors who could not attend the meetings were granted leave of absence.

Pattern of Shareholding as on 30 June, 2018:

Sl. No.	***Name of the Shareholders***	***Status***	***Shares Held***	***Percentage (%)***
i.	*Parent/Subsidiary/Associated Companies and other related parties*		*Nil*	*Nil*
ii.	*Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and Minor Children*			
	Mrs. Silvana Mirza	*Chairman*	*29,10,000*	*02.91%*
	Dr. Saira Khan, MBBS, DCH, FCPS.	*Managing Director*	*69,70,000*	*06.97%*
	Mrs. Samina Mirza	*Director*	*29,10,000*	*02.91%*
	Mrs. Farhana Mirza	*Director*	*29,10,000*	*02.91%*
	Mr. Nazrul Islam Khan (Nominated by ICB)	*Director*	*3,00,00,000*	*30.00%*

	Mr. Mansur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.)	Director	50,90,000	05.09%
	Mr. Md. Musfiqur Rahman,FCA, Independent Director	Independent Director	Nil	Nil
	Tanha Zarrin Ahmed, Bar-at-Law, Independent Director	Independent Director	Nil	Nil
	Md. Iqbal Hossain	Company Secretary	1,10,000	00.11%
	Md. Abul Kasem	Chief Financial Officer	Nil	Nil
	Khurshid Ahmed Siddique	Head of Internal Audit and Compliance	4,80,000	0.48%
	A R Hassan Mirza	Spouses of Managing Director	49,50,000	4.95%
iii.	Executives		55,000	0.05%
iv.	Shareholders holding 10% or more voting interest in the company			
	Investment Corporation of Bangladesh (ICB)	Director	3,00,00,000	30.00%

Directors' Appointment & Re-appointment:

As per the Articles of Association of the company Mrs. Silvana Mirza, Dr. Saira Khan and Mr. Mansur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.) shall retire in the 17th Annual General Meeting by rotation and being eligible, offer themselves for re-election.

Disclosure of information of the Directors who seek re-appointment/appointment in the ensuing AGM:

Mrs. Silvana Mirza

Mrs. Silvana Mirza was born at Noakhali in Bangladesh in the year 1978. She is the chairman and one of the sponsors of the Company. She graduated from Asian University Bangladesh in Islamic Studies. She oversees the business with inception of the company as director Operation. Her interpersonal skills, leadership behavior, high analytical ability in business and very hard working nature made her worth as director.

Dr. Saira Khan, MBBS, DCH, FCPS.

Dr. Saira Khan, MBBS, DCH, FCPS. was born in a prominence Muslim family at Dhaka in Bangladesh in the year 1981. She is a daughter of Lt. Gen. (Retd.) M. Nooruddin Khan ex. Army Chief. She is a medical graduate from the Armed Forces Medical College, Dhaka with an MBBS in 2004, She has completed Diploma in Child health (DCH) in July, 2009 and FCPS (Paediatrics) in July, 2016. She began his career as Honorary Medical Officer with Shaheed Suhrawardy Hospital in the year 2006. In the year 2010 she joined BIRDEM General Hospital as Medical Officer, then she joined Dhaka Ahsania Mission as Specialist physician (Paediatrics) in the year 2013 and she joined Marks Medical College and Hospital as Assistant Professor (Paediatrics) in the year 2016. She was connected with this company in the year 2007. She is one of the sponsor directors of the ARK Hospital Limited. Her interpersonal skills, leadership behavior, high analytical ability in business and very hard working nature made her worth as director. She is involved in various social works in Dhaka.

Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm limited)

Mr. Monsur Rahman was born in an illustrious family at Dhaka in Bangladesh in the year 1985. He graduated from North South University Bangladesh in Electronic and Telecommunication Engineering (ETE) in the year 2009. He has total 8 years working experiences.

Declaration by the CEO and the CFO to the Board:

The declaration of CEO and CFO to the Board as per condition no. 3(3) was disclosed in the **Annexure – A.**

Certificate and Report regarding compliance of Corporate Governance Code:

The report as well as certificate regarding compliance of conditions of this Code as required under condition no. 9 of Corporate Governance Code was disclosed in the **Annexure – B and Annexure - C.**

Other Regulatory Disclosures:

- The company is aware of its various risks and concerns, mainly from the policy and regulatory fronts and is prepared to meet those by systematic control;
- No transactions with related parties have been made during the year except Director's Remuneration, Advance against land purchase and Office rent received by Managing director & Sponsors;
- The company gets a consent letter ref: no. BSEC/CI/IPO-269/2017/429 dated June 28, 2018 from Bangladesh Securities and Exchange Commission (BSEC) for raising of share capital of Taka 30.00 (Thirty) crore through Initial Public Offering (IPO).;
- From inception, the financial results of the company have continued to grow as reflected in the yearly financial statements of the company;
- During the year the company has paid an amount of Tk. 232,875.00 as Board meeting attending fees;
- All significant deviation from the previous year in operating results of the company have been highlighted and reasons thereof have been explained;
- The key operating and financial data for the last five years have been disclosed ;
- The company has declared no dividend for the year 2017-2018;
- During the year ended 30 June, 2018 total of 04 (Four) Board meetings were held which met the regulatory requirements in this respect. The attendance records of the Directors are shown in this report;
- Shareholding patterns of the company as on 30 June, 2018 are shown in the Directors report;
- The Directors' profiles have been included in the Annual Report as per BSEC Guidelines.

Environmental Role:

The company maintains a high standard of pollution free environment as per WHO standards / Government laws.

Workers' Profit Participation Fund:

In the year under review 5% of the company's net profit after charging such contribution but before Income Tax i.e. Tk. 71,93,811.00 has been transferred to the workers profit participation fund and welfare fund as per provisions of Bangladesh Labour (Amendment) Act, 2013.

Appointment of Auditors':

As per requirements of law, the current statutory auditors' of Silva Pharmaceuticals Limited ***M/s. Mahfel Huq & Co., Chartered Accountants,*** *will retire at the 17th Annual General Meeting. They have expressed their willingness to be re-appointed for the year 2018-2019 at the fees of Taka 1,50,000.00. The Board recommends the re-appointment of M/s. Mahfel Huq & Co., Chartered Accountants, 34, Topkhana Road, Dhaka-1000 for as the statutory auditors of the company for the year 2018-2019 and continuation up to the next AGM at a fees of Tk. 1,50,000.00 (One lac fifty thousand) only and request to the shareholders to approve the appointment.*

Acknowledgement:

The Board of Directors would like to extend its gratitude and appreciation to all shareholders and other stakeholders of the company for their wholehearted support and guidance to the company that led to many achievements. The Board also recognizes the contributions received from banks and financial institutions, insurance companies, National Board of Revenues (NBR), Bangladesh Securities and Exchange Commission (BSEC), Drug Administration, various Government Authorities, suppliers, vendors, healthcare professionals, customers, end users, press and media, business partners, all of our employees and lastly the individuals and agencies who have helped us accomplished what we are today.

Thank you all and with best regard for and on behalf of the Board.

Sd/-
(Mrs. Silvana Mirza)
Chairman
Dhaka, 06 August, 2018

Our Major Brands and Services

Silva Pharmaceuticals Limited has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Anti pyretics, Anti inflammatory Drugs, Anti ulcerants, Multi medicines which are sold mainly in local market. It has set up a modern pharmaceutical plant that is equipped with advanced and modern machineries and technology.

Antiulcerant

Omesil®
Omeprazole 20 mg
Capsule



- Time tested & trusted PPI all over the world
- Used as adjunct therapy with NSAIDs
- Highly effective in Reflux Esophagitis

Pantosil®
Pantoprazole 20 mg
Tablet



- A superior & confident choice among PPIs
- Safe in pregnancy (Category B)
- Effective in PUD & GERD

RT® 150
Ranitidine 150 mg tab.



- Time tested H_2 receptor blocker
- Effectively inhibits gastric acid secretions
- Provides excellent gastric ulcer healing

Antiemetic & Gastroprokinetic

Devomit®
Meclizine Hydrochloride BP 25 mg &
Pyridoxine Hydrochloride BP 50 mg



- First choice in treating nausea and vomiting during pregnancy
- Provides synergistic effect
- Shows long duration of action

Domsil®
Domperidone 10 mg tablet, 10 mg DT,
60 ml & 100 ml suspension



- Improves gastric motility
- Reduces the GI symptoms of chronic dyspepsia
- Effectively controls nausea and vomiting

STOCK

Antibacterial

Sicef®

Cephradine 500 mg Capsule &
125 mg/ 5 ml PFS



- Effective & well tolerated 1st generation cephalosporin in SSTIs (96%) & RTIs (100%)
- Confident choice as prophylaxis of dental procedure
- USFDA recommended as pregnancy category B

Probac®

Cefuroxime 250 mg & 500 mg Tablet



- Potent 2nd generation cephalosporin in UTIs
- Safe and effective antibiotic in all stages of pregnancy
- Offers superior cure rate in RTIs

Supraxim®

Cefixime USP 200 mg Capsule &
100 mg/5ml PFS



- Tested and trusted 3rd generation oral cephalosporin
- Drug of choice in Enteric Fever
- Ensures excellent treatment success in Enterocolitis & LRTIs

Macrozith®

Azithromycin USP 500 mgTablet& 200 mg/5 ml GFS



- Highly active macrolide against atypical bacteria
- Simple dose, faster efficacy
- Right choice for treating Typhoid Fever, RTIs & SSTIs

Cipronil®500

Ciprofloxacin USP 500 mgTablet &250 mg/5ml PFS



- Time tested and trusted Fluoroquinolone antibiotic
- Highly effective in Shigellosis and Infectious Diarrhoea
- Ensures effective & safe treatment in Osteomyelitis and UTIs

SMART STOCK

Analgesic and Antipyretic

Duet®
Paracetamol 500mg & Caffeine 65mg Tablet



- More than a pain and fever reliever
- Short (45-50 seconds) disintegration time
- Its opaque PVC foil protects from sunlight

Sifen® TR
Diclofenac Sodium 100 mg Timed Release Capsule



- Shows analgesic and antipyretic action
- Provides better pain relief
- Controls painful inflammation

Orifen
Aceclofenac BP 100 mg



- Potent analgesic and anti-inflammatory action
- No cardiovascular side effects
- Ensures Gastro intestinal safety

Torolac®
Ketorolac 10 mg Tablet



- Relieves moderate to severe acute pain
- Efficacious in post-operative pain
- Most potent NSAID

Allergy, Cough and Cold:

Aerofen
Ketotifen Fumerate 100 ml syp.



- Effective prophylaxis for asthma
- Ensures allergy free life of the patients
- Ensures better control of asthma and wheezing

Ambosil®
Ambroxol hydrochloride Syrup & Pediatric Drop



- Enhances the efficacy of antibiotic in RTIs
- Provides multiple mode of action to liquefy sputum
- Drug of choice for prophylaxis of chronic bronchitis

AMARSTOCK

Vitamins & Minerals

Multitonic®
Vitamins & Minerals
100 ml & 200 ml Syrup



- Improves immune function
- Absorption rate is faster and higher than solid dosage form
- Palatable taste, sugar free, suitable for diabetic patients

Multi Gold
32 Multivitamin-Multimineral



- Enhances immune system
- Provides energy and growth
- Strengthens the body

Neurex-B®
Thiamine Mononitrate (B1) 100 mg
Pyridoxine Hydrochloride (B6) 200 mg
Cyanocobalamin (B12) 200 mcg
Tablet



- Ideal combination of B-vitamins for Neuropathic pain
- Prevents degenerative process of nerves
- Offers a new treatment option in Diabetic Retinopathy

Calsil® PLUS
Calcium 500 mg &
Vitamin D_3 200 I.U.
Tablet



- Synergistic combination for strong bone structure
- Vitamin D_3 increases absorption of calcium
- Prevents Osteoporosis & bone fracture

Alvital®
Super Anti-oxidant vitamin plus Multimineral Tablet



- Delay aging process
- Boost immune system
- Ensures aged patients to lead better quality of life

Xinoplex®
Vitamin B-complex & Zinc Syrup



- For teatment and prevention of vitamin B complex & Zinc deficiencies
- Reduces risk of diarrhoeal incidences in infants
- Decreases susceptibility of infections

Antispasmodic

Timem®
Tiemonium Methylsulphate IP 50 mg



- Complete and fast relief from abdominal pain
- Offers treatment superiority over other antispasmodics
- Offers excellent safety profile to patients

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED JUNE 30, 2018

Silva Pharmaceuticals Limited established an audit committee as a sub-committee of the Board of Director. The Committee supports the Board in fulfilling its oversight responsibilities. The Audit Committee of comprises of the following persons:

Mr. Md. Musfiqur Rahman, FCA, Independent Director	Chairman
Mrs. Samina Mirza, Director	Member
Mr. Monsur Rahman (Nominated by Adarsha Fisheries & Poultry Farm Ltd.), Director	Member
Mr. Md. Iqbal Hossain, Company Secretary	Member Secretary

The Audit Committee met four times during the year. All the members were present in all the meetings of the committee. Besides, Company Secretary who supported the committee as its secretary as well, permanent invitees to the meetings were the CFO and Head of Internal Audit. Relevant heads of the other functions and representative(s) of External Audit were also invited as required.

The scope of Audit Committee

As provided in clause 5(6) of the Securities and Exchange Commission Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018.

Activities carried out during the year

(a) To oversee the financial reporting process;
(b) To monitor Internal Control Risk Management Process. A separate Internal Control Team is in place to insure effective performance of Internal Control activities;
(c) To recommend Mahfel Haq & Co., Chartered Accountants for re-appointment of the external auditor of the company for the year ended 30 June, 2019;
(d) To review the financial statements of the company for the year ended 30 June, 2018 and being satisfied the critical accounting policies, significant judgments and practices used by the company their independent report, recommended to the Board of adoption;
(e) To review and recommend to the Board of Directors to approve the annual, half-yearly and quarterly financial statements;;
(f) To review the related party transactions entered into by the company for the year ended 30 June, 2018;
(g) To review the Management Letters issued to the company for the external auditor for the year ended 30 June, 2018 together with management response to the findings;
(h) To review utilization of fund raised through IPO by the company (if any);
(i) Where appropriate, reported the findings on the following:

i. To conflict of interest;
ii. To suspect or presumed fraud or irregularity or material defect in the internal control system;
iii. To suspect infringement of laws, including securities related laws, rules and regulations;
iv. Any other matters which should be disclosed to the Board of Directors immediately.

(j) To approve audit plan and resource allocation for the Internal Audit Services;
(k) To review and adequate of Internal Audit activities carried out during the year;
(l) To review the Internal Audit Reports and to monitor implementation of Audit Action Plans to improve Internal Control Systems.

Sd/-

(Md. Musfiqur Rahman FCA)

Chairman, Audit Committee

Annexure-A
[As per condition No. 1(5)(xxvi)]

Silva Pharmaceuticals Limited
Declaration by CEO and CFO

Date: 08/08/2018

The Board of Directors
Silva Pharmaceuticals Limited
House #65, Road #8/A (New),
Dhanmondi, Dhaka-1209

Subject: Declaration on Financial Statements for the year ended on June 30, 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

(1) The Financial Statements of Silva Pharmaceuticals Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;

(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;

(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;

(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and

(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: "

(i) We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
(Dr. Saira Khan)
Chief Executive Officer (CEO)

Sd/-
(Md. Abul Kasem)
Chief Financial Officer (CFO)

AMAR STOCK

Annexure – B
[Certificate as per condition no. 1(5)(xxvii)]

Report to the Shareholders of Silva Pharmaceuticals Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Silva Pharmaceuticals Limited for the year ended on June 30, 2018. This Code relates to the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities Laws and other relevant laws; and

(d) The Governance of the company is highly satisfactory.

Sd/-
Shaiful Alam FCA
Partner
S. R. Islam & Co.
Chartered Accountants

Place: Dhaka
Dated: August 08, 2018

Annexure-C

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1.00	***BOARD OF DIRECTORS***			
1(1)	Size of the Board of Directors	✓		
1(2)	***INDEPENDENT DIRECTORS***			
1(2) (a)	At least 1/5th of the total number of directors	✓		
1(2)(b)(i)	Does not hold any share or holds less than one percent (1%) shares of total paid up capital.	✓		
1(2)(b)(ii)	Not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares.	✓		
1(2)(b)(iii)	Has not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
1(2)(b)(iv)	Has any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1(2)(b)(v)	Not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1(2)(b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		
1(2)(b)(vii)	Not the partners or executives during preceding 3 (three) years of concerned company's statutory audit firm.	✓		
1(2)(b)(viii)	Not the independent directors in more than 5 (five) listed companies.	✓		
1(2)(b)(ix)	Not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI).	✓		
1(2)(b)(x)	Not been convicted for a criminal offence involving moral turpitude.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(2)(c)	Shall be appointed by the Board of Directors and approved by the Shareholders in the AGM.	✓		
1(2)(d)	The post of independent directors cannot remain vacant for more than 90 days.	✓		
1(2)(e)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	✓		
1(3)	***QUALIFICATION OF INDEPENDENT DIRECTOR***			
1(3)(a)	Independent Director shall be knowledgeable individual with integrity who is able to ensure required compliance.	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of F&A or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a CA or CMA or CFA or CCA or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			N/A
1(4)	***Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer***			
1(4)(a)	The positions of the Chairperson of the Board and the MD and/or CEO of the company shall be filled by different individuals	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same position in another listed company	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		
1(4)(d)	Separate Chairman and CEO and clearly defined roles and responsibilities.	✓		
1(4)(e)	Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson	✓		
1(5)	**The Directors Report to Shareholders**			
1(5)(i)	Industry outlook and possible future developments in the industry	✓		
1(5)(ii)	Segment-wise or product-wise performance.	✓		
1(5)(iii)	Risks and concerns	✓		
1(5)(iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	✓		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1(5)(vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	✓		
1(5)(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments.	✓		
1(5)(viii)	An explanation if the nancial r esults d eteriorate a fter t he company goes for IPO, RPO, Rights Offer, Direct Listing etc.	✓		
1(5)(ix)	If signicant v ariance o ccurs b etween q uarterly f inancial performance and annual financial statements the management shall explain about the variance on their Annual Report.	✓		
1(5)(x)	Remuneration to directors including independent directors.	✓		
1(5)(xi)	The nancial statements prepared by the management of the company present fairly its state of affairs, the results of its operation, cash ows and changes in equity.	✓		
1(5)(xii)	Proper books of accounts of the company have been maintained.	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the nancial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(xiv)	IAS, BAS, IFRS, BFRS, as applicable in Bangladesh, have been followed in preparation of the nancial s tatements a nd a ny departure there-from has been adequately disclosed.	✓		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	Interest of Minority Shareholders	✓		
1(5)(xvii)	There are no signicant d oubts u pon t he c ompany's a bility t o continue as a going concern.	✓		
1(5)(xviii)	Signicant d eviations f rom t he l ast y ear's o perating r esults o f the company shall be highlighted and the reasons thereof should be explained.	✓		
1(5)(xix)	Key operating and nancial d ata o f a t l east p receding 3 (three) years shall be summarized.	✓		
1(5)(xx)	If the company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1(5)(xxi)	Effect that no bonus shares or stock dividend has been declared as interim dividend	✓		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1(5)(xxiii)	***The Pattern of shareholding:***			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1(5)(xxiii)(c)	Executives (top five salaried employees of the company other than stated in 1.5(xxi)b);	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1(5)(xxiv)	***Appointment or re-appointment of a director***			
1(5)(xxiv)(a)	A brief resume of the Director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.			
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	***Management discussion and analysis of financial statements***			

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements		✓	Will be Comply in next year.
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes		✓	Will be Comply in next year.
1(5)(xxv)(c)	comparative analysis		✓	Will be Comply in next year.
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario		✓	Will be Comply in next year.
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe		✓	Will be Comply in next year.
1(5)(xxv)(f)	risks and concerns		✓	Will be Comply in next year.
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position		✓	Will be Comply in next year.
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board	✓		
1(5)(xxvii)	Certificate regarding compliance of conditions of this Code	✓		
1(6)	Meetings of the Board of Directors	✓		
1(7)	***Code of conduct for the Chairperson, other Board members and Chief Executive Officer***			
1(7)(a)	Board shall lay down a code of conduct		✓	Will be Comply in next year.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company		✓	Will be Comply in next year.
2.00	***Governance of Board of Directors of Subsidiary Company***	***The Company has no Subsidiary Company***		
2(a)	Provisions relating to the composition of the Board of the holding company			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			N/A

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements			N/A
3.00	***Managing Director(MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)***			
3(1)	***Appointment***			
3(1)(a)	The Board shall appoint a MD or CEO, a Company Secretary, a CFO and a Head of Internal Audit and Compliance (HIAC)	✓		
3(1)(b)	The positions of the MD or CEO, Company Secretary, CFO and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board	✓		
3(2)	The MD or CEO, CS, CFO and HIAC shall attend the meeting of the Board of Directors'	✓		
3(3)	***Duties of MD or CEO and CFO***			
3(3)(a)	***Certified by MD and CFO that they have reviewed financial statements and that to the best of their knowledge and belief:***			
3(3)(a)(i)	Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
3(3)(a)(ii)	True and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
3(3)(b)	MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		
4.00	**BOARD OF DIRECTORS' COMMITTEE**			
4(i)	Audit Committee	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
4(ii)	Nomination and Remuneration Committee			Will be Comply in next year.
5.00	***Audit Committee***			
5(1)	***Responsibility to the Board of Directors***			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board	✓		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		
5(2)	***Constitution of the Audit Committee***			
5(2)(a)	The Audit Committee shall be composed of at least 3 members.	✓		
5(2)(b)	Constitution of Audit Committee with Board Members including one Independent Director.	✓		
5(2)(c)	All members of the Audit Committee should be “nancially literate” and at least 1 (one) member shall have accounting or related nancial management experience.	✓		
5(2)(d)	Filling of Casual Vacancy in Committee			There was no such issue
5(2)(e)	The Company Secretary shall act as the secretary of the Committee.	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 independent director.	✓		
5(3)	***Chairperson of the Audit Committee***			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director.	✓		
5(3)(b)	In absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson	✓		
5(3)(c)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)	***Meeting of the Audit Committee***			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		

MAARSTOCK

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence	✓		
5(5)	***Role of Audit Committee***			
5(5)(a)	Oversee the nan cial reporting process	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Monitor Internal Control Risk management process.	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the external or statutory auditors	✓		
5(5)(f)	Review along with the management, the annual nancial statements before submission to the board for approval.	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		
5(5)(h)	Review the adequacy of internal audit function.	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management.	✓		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees	✓		
5(5)(m)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results.	✓		
5(6)	***Reporting of the Audit Committee***			
5(6)(a)	***Reporting to the Board of Directors.***			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.			There was no such issue
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			There was no such issue

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;			There was no such issue
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.			There was no such issue
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			There was no such issue
5(7)	Reporting of activities of the Audit Committee to the Shareholders and General Investors.	✓		
6.00	***Nomination and Remuneration Committee (NRC)***			
6(1)	***Responsibility to the Board of Directors'***			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board		✓	Will be Comply in next year.
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy		✓	Will be Comply in next year.
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)		✓	Will be Comply in next year.
6(2)	***Constitution of the NRC***			
6(2)(a)	The Committee shall comprise of at least three members including an independent director		✓	Will be Comply in next year.
6(2)(b)	All members of the Committee shall be non-executive directors		✓	Will be Comply in next year.
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board		✓	Will be Comply in next year.
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee		✓	Will be Comply in next year.
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee		✓	Will be Comply in next year.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor		✓	Will be Comply in next year.
6(2)(g)	The company secretary shall act as the secretary of the Committee		✓	Will be Comply in next year.
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director		✓	Will be Comply in next year.
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company		✓	Will be Comply in next year.
6(3)	***Chairperson of the NRC***			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an Independent director		✓	Will be Comply in next year.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson		✓	Will be Comply in next year.
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders		✓	Will be Comply in next year.
6(4)	***Meeting of the NRC***			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year		✓	Will be Comply in next year.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC		✓	Will be Comply in next year.
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h)		✓	Will be Comply in next year.
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes		✓	Will be Comply in next year.
6(5)	***Role of the NRC***			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders		✓	Will be Comply in next year.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully		✓	Will be Comply in next year.
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks		✓	Will be Comply in next year.
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance		✓	Will be Comply in next year.
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality		✓	Will be Comply in next year.
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position		✓	Will be Comply in next year.
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board		✓	Will be Comply in next year.
6(5)(b)(v)	Identifying the company's needs for employees at different levels		✓	Will be Comply in next year.
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies		✓	Will be Comply in next year.
6(5)(c)	The company shall disclose the nomination and remuneration policy		✓	Will be Comply in next year.
7.00	External/Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors' to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial Information System design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not complied	
7(1)(vii)	Any services that the Audit Committee determines;	✓		
7(1)(viii)	Audit/certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting	✓		
8.00	***Maintaining a website by the Company***			
8(1)	The company shall have an official website linked with the website of the stock exchange			Complied after Listing
8(2)	The company shall keep the website functional from the date of listing			Complied after Listing
8(3)	The company shall make available the detailed disclosures on its website			Complied after Listing
9.00	***Reporting and Compliance of Corporate Governance***			
9(1)	The company shall obtain a Certificate from a practicing Professional Accountant or Secretary (CA/CMA/CS) regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will Provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the AGM	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SILVA PHARMACEUTICALS LTD.

We have audited the accompanying financial statements of **Silva Pharmaceuticals Limited** which comprises the Statement of Financial Position as at June 30, 2018 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 financial statements give a true and fair view of the financial position of **Silva Pharmaceuticals Limited** as at June 30, 2018 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report on other legal and regulatory requirements

We also report that;

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts.

d) the expenditures incurred were for the purpose of the Company's business.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: August 05, 2018

Silva Pharmaceuticals Limited

Statement of Financial Position

As at 30 June, 2018

Particulars	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17
ASSETS			
Non Current Assets		**1,088,236,707**	**843,729,229**
Property, Plant & Equipment	**4.00**	890,460,110	706,738,552
Capital work-in-Progress	**5.00**	197,776,597	136,990,677
Current Assets		**913,520,356**	**1,097,434,352**
Inventories	**6.00**	389,774,512	369,548,334
Trade and Other Receivables	**7.00**	249,791,383	253,498,965
Advances, Deposits and Prepayments	**8.00**	138,657,501	270,877,947
Investment in FDR	**9.00**	85,000,000	120,000,000
Cash and Cash Equivalents	**10.00**	50,296,960	83,509,106
Total Assets		**2,001,757,063**	**1,941,163,581**
SHAREHOLDERS EQUITY AND LIABILITIES:			
Equity attributable to the Shareholders		**1,710,561,004**	**1,647,797,063**
Share Capital	**11.00**	1,000,000,000	1,000,000,000
Retained Earnings	**12.00**	710,561,004	647,797,063
Non-Current Liabilities		**91,219,792**	**86,031,226**
Deferred Tax Liabilities	**13.00**	91,219,792	86,031,226
Current Liabilities		**199,976,267**	**207,335,292**
Trade and Other Payables	**14.00**	4,461,993	4,311,781
Current Portion of Long term Loan	**15.00**	99,000,000	99,000,000
Provision for Expenses	**16.00**	96,514,274	104,023,511
Total Liabilities		**291,196,059**	**293,366,518**
Total Equity & Liabilities:		**2,001,757,063**	**1,941,163,581**
Net Assets Value (NAV) per share	**25.00**	**17.11**	**16.48**

The annexed notes (1-30) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: August 05, 2018

Silva Pharmaceuticals Limited

Statement of Profit or Loss and other Comprehensive Income

For the year Ended June 30, 2018

Particulars	Notes	Amount in Taka	
		01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
Turnover	**17.00**	685,233,408	602,491,592
Cost of goods sold	**18.00**	(412,239,594)	(365,775,793)
Gross Profit		**272,993,814**	**236,715,799**
Operating expenses	**19.00**	(125,410,284)	(112,074,765)
Operating Income		**147,583,530**	**124,641,034**
Financial expenses	**20.00**	(5,620,364)	(354,646)
Net Operating Profit		**141,963,166**	**124,286,388**
Interest and Other income	**21.00**	9,106,860	5,665,239
Net Profit before Contribution to WPPF		**151,070,026**	**129,951,627**
Provision for Contribution to Worker's Profit Participation fund (WPPF)	**22.00**	**(7,193,811)**	**(6,188,173)**
Net Profit before Income Tax		**143,876,215**	**123,763,454**
Income Tax Expenses:		**(50,882,274)**	**(43,484,895)**
Current Tax Expenses	**23.01**	(45,693,708)	(35,724,236)
Deferred Tax expenses	**23.02**	(5,188,566)	(7,760,659)
Net Profit after tax		**92,993,941**	**80,278,559**
Earnings Per Share (EPS)	**24.00**	**0.93**	**1.03**

The annexed notes (1-30) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: August 05, 2018

Silva Pharmaceuticals Limited

Statement of Changes in Equity

For the year Ended June 30, 2018

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 1st July, 2017	1,000,000,000	647,797,063	1,647,797,063
Net profit after tax during the year	-	92,993,941	92,993,941
Issue of Share Capital	-	-	-
Dividend Paid	-	(30,230,000)	(30,230,000)
Balance as at 30 June, 2018	**1,000,000,000**	**710,561,004**	**1,710,561,004**

For the year ended June 30, 2017

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on 1st July, 2016	500,000,000	585,378,504	1,085,378,504
Issue of Share Capital	500,000,000	-	500,000,000
Net profit after tax during the year	-	80,278,559	80,278,559
Dividend Paid	-	(17,860,000)	(17,860,000)
Balance as at 30 June, 2017	**1,000,000,000**	**647,797,063**	**1,647,797,063**

The annexed notes (1-30) form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: August 05, 2018

Silva Pharmaceuticals Limited

Statement of Cash Flows

For the year ended June 30, 2018

Particulars	Amount in Taka	
	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
Cash flows from Operating Activities		
Cash received from Customers	688,671,153	636,872,196
Cash received from non-operating income	9,376,697	1,471,336
Cash Paid to Suppliers	(368,379,497)	(358,922,252)
Cash Paid to Employees	(114,657,415)	(92,233,897)
Cash Paid for Others	(29,485,608)	(66,669,143)
Income Tax Paid	(51,916,864)	(40,140,128)
Net cash inflow/(outflow) from operating activities (A)	**133,608,466**	**80,378,112**
Cash flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(108,082,192)	-
Cash Payments for Capital Work-in-progress	(60,785,920)	(90,751,395)
Cash Payments for FDR	35,000,000	(120,000,000)
Cash Payments for Advance against acquisition of land	-	(29,200,000)
Net cash flow used ininvesting activities (B)	**(133,868,112)**	**(239,951,395)**
Cash flows from Financing Activities		
Issuance of Share Capital	-	346,000,000
Long Term Loan received/(Repaid)	-	(15,416,826)
Short Term Loan received/(Repaid)	-	(114,583,174)
Cash payment for Financial Expenses	(2,722,500)	-
Dividend Paid	(30,230,000)	(17,860,000)
Net cash flow used in financing activities (C)	**(32,952,500)**	**198,140,000**
Net increase/(decrease) of Cash and Cash Equivalents (A+B+C)	**(33,212,146)**	**38,566,717**
Cash and Cash Equivalents at the beginning of the year	83,509,106	44,942,389
Cash and Cash Equivalents at the end of the year	**50,296,960**	**83,509,106**
Net Operating Cash Flow Per Share (Note-26.00)	**1.34**	**1.03**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Signed as per our separate report on same date.

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Place: Dhaka;
Dated: August 05, 2018

Silva Pharmaceuticals Limited

Notes to the Financial Statements

For the year Ended June 30, 2018

1.00 About the Company

1.01 Formation and Legal Status:

Silva Pharmaceuticals Limited was incorporated in 24 April 2001 as a 'private' company limited by shares and registered with the Registrar of Joint Stock Companies and Firms of Bangladesh under the Companies Act, 1994 vide Registration No. CH-42959(2318)/2001. Further On 22 April, 2014, it was converted into a Public Limited Company under the Companies Act, 1994. The Company started its commercial operation on 01st July, 2003.

1.02 Address of the Registered Office and Factories:

The registered and corporate office of the company is located at Road No. 8/A (New) House # 65, Dhanmondi, Dhaka-1209, Bangladesh.

Factory of the company is situated at Main Road, Maijdee Court, Noakhali and Binodpur, Maijdee Court, Noakhali. .

1.03 Nature of Business:

The Company has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Anti pyretic, Anti inflammatory Drugs, Anti ulcerants, Antiemetic, Gastroprokinetic, Anti histamine, Anti spasmodic expectorants, Vitamins & Minerals medicines which is selling mainly in local market.

2.00 Basis of Preparation and presentation of Financial Statements

2.01 Basis of Preparation and Presentation of Financial Statements:

The financial statements have been prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws & regulations in Bangladesh.

The Financial Statements are presented in accordance with the guidelines provided by BAS-1 "Presentation of Financial Statements".

2.02 Principal Accounting Policies:

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation of the financial statements. The previous year's figures were presented according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. However, changes made to the presentation are explained in the note for each respective item.

2.03 Statement of Compliance:

The financial statements of the company under reporting have been prepared in accordance with the framework, applicable with The Companies Act 1994, The Securities and Exchange Rules, 1987, Bangladesh Accounting Standard (BAS) & Bangladesh Financial Reporting Standards (BFRS) and other relevant laws and regulations applicable in Bangladesh.

2.04 Use of Estimates and Judgments:

The preparation of the financial statements requires management to make and apply consistently of judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future years affected.

2.05 Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. For these reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of existing business.

2.06 Reporting Currency

The financial statements are expressed in Bangladesh Currency (Taka/ Tk.), which is both functional and reporting currency of the Company.

2.07 Reporting Period

The financial statements of the Company consistently cover one financial year commencing from 01 July, 2017 to 30 June, 2018.

2.08 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

2.09 Authorization for issuing Financial Statements:

The Financial Statements was duly approved by the Board of Directors.

2.10 Accrual Basis:

The Financial Statements have been prepared, except Cash Flow information, using the accrual basis of accounting.

2.11 Comparative Information:

Comparative information has been disclosed is the standalone figures of the financial year 01 July, 2016 to 30 June, 2017 for all numerical information in the financial statements and also the narrative and descriptive information wherever it is relevant for understanding of the current year's financial statements.

2.12 Re-arrangement

Figures for the comparative year have been re-grouped/ re-arranged wherever consider necessary to ensure better comparability with the current year presentation as per BAS-8: "Accounting policies, Changes in Accounting estimates and Errors".

2.13 Components of Financial Statements:

According to the Bangladesh Accounting Standards (BAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

i) Statement of Financial Position as at 30 June, 2018;

ii) Statement of Profit or Loss and Other Comprehensive Income for the year from 01 July, 2017 to 30 June, 2018;

iii) Statement of Changes in Equity for the year from 01 July, 2017 to 30 June, 2018;

iv) Statement of Cash Flows for the year from 01 July, 2017 to 30 June, 2018; and

v) Accounting Policies and Explanatory Notes.

2.14 Application of Standards (BAS's):

The application of the following BAS's in the Financial statements for the year under review:

Name of the Accounting Standards	Reference No.
Presentation of Financial Statements	BAS-1
Inventories	BAS-2
Statement of Cash Flows	BAS-7
Accounting Policies, Changes in Accounting Estimates and	BAS-8
Events after the Reporting year	BAS-10
Income Taxes	BAS-12
Property, Plant & Equipment	BAS-16
Revenue Recognition	BAS-18
Employee Benefits	BAS-19
Borrowing Costs	BAS-23
Related Party Disclosures	BAS-24
Earnings Per Share	BAS-33
Impairment of assets	BAS-36
Provisions, Contingent Liabilities and Contingent Assets	BAS-37
Financial Statements: Recognition & Measurement	BAS-39

3.00 Significant Accounting Policies

3.01 Property, Plant and Equipment (PPE):

i) Recognition and Measurement:

In compliance with the BAS 16 "Property, Plant and Equipment" items of Property, Plant & Equipment (PPE) excluding land are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable operating in the intended manner.

ii) Subsequent Costs:

The cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day maintaining cost on PPE are recognized in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

iii) Depreciation

Depreciation has been charged on item of property, plant and equipment except land and land development is recognized in the statement of profit or loss and other comprehensive income using "Reducing Balance Method" over the estimated useful lives of each items.

Depreciation on addition to fixed assets charged when the assets are available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

The rate of depreciation varies from 2.5% to 20% p.a. based on useful lives and nature of the assets.

Rate of depreciation on property, plant and equipments considering their useful lives are as follows:

Category of Fixed Assets	
Plant & Machinery	10%
Generator	10%
Building Decoration	10%
Electrical Installation	10%
Gas Installation	10%
Office Equipment	10%
Factory Equipment	10%
Furniture and Fixture	10%
Vehicles	20%
Power House	10%
Laboratory Equipment	10%
Factory Building & Warehouse	2.50%

iv) Retirement and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income.

3.02 Impairment of Assets:

The company reviews the recoverable amount of its assets at each reporting date. If there exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with **BAS-36 "Impairment of Assets"**. All assets have been reviewed according to BAS-36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

3.03 Inventories:

Inventories are stated at the lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories" after making due allowance for any obsolete or slow moving item. Costs including an appropriate portion of fixed and variable overhead expenses are assigned inventories by the method most appropriate to the particular class of inventory. Net Realizable Value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale. Item wise valuation is as follows:

i) Raw and packing materials at weighted average cost ;

ii) Work-in-progress at standard cost;

iii) Finished goods at lower of cost or net realizable;

iv) Printing & Stationary and Spare & Tools are at cost.

Standard cost comprises value of materials, standard activity cost and overheads.

3.04 Financial Instruments:

A financial instrument is any contract that give rise to financial assets and a financial liabilities or equity instrument of other entity.

I) Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flow from the asset expire or it transfer the right to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial

Trade Receivable:

Trade receivable are created at original invoice amount less any provisions for doubtful debts. Provisions is made where there is evidence of a risk of non payments, taking into consideration ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollected, it is written off firstly against any provision available and then to the Statement of Comprehensive Income. Subsequent recoveries of amounts previously provided for and/or written off are credited to the Statement of Comprehensive Income.

Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash in hand, cash at bank and term deposit that are readily convertible to known amount of cash and that are subject to an insignificant risk change in value.

II) Financial Liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities includes payable for expenses, liability for capital expenditure and other current liabilities.

3.05 Provisions:

Provisions and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standards (BAS)-37 "Provisions, Contingent liabilities and Contingent Assets" when:

i) The company has a legal constructive obligation as a result of past events.

ii) It is probable that an outflow of economic benefit will be required to settle the obligations.

iii) A reliable estimate can be made of the amount of the obligations.

The Company has no contingent liabilities & assets as per BAS 37 as on 30 June, 2018.

3.06 Related Party Disclosures:

As per Bangladesh Accounting Standards BAS-24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties which have been given in Note-29.00 of these Financial Statements.

3.07 Employees' Benefit:

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. Employees of the company are entitled to get the following benefits from the company:

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

The company's employee benefits include the following:

i) Short Term Employee Benefits
Short-term employee benefits include salaries, bonus etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

ii) Workers Profit Participation Fund (WPPF) and Welfare Fund:
The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per provision of Bangladesh Labour Law, 2006 and is payable to the workers as define in the said Law.

3.08 Revenue Recognition

(a) Sales of Goods: In compliance with the requirements of **BAS 18 "Revenue Recognition"**, revenue is recognized for local sales of pharmaceuticals Drugs and Medicines at the time of delivery to chemists/institutions. Export of Pharmaceuticals Drugs and Medicines at the time of delivery to Custom Port. i.e., when the significant risk and rewards of ownership is transfer to the buyer and the amount of revenue can be measured reliably.

(b) Interest Income is recognized when accrued on a time proportion basis.

3.09 Income Taxes:

Income tax expenses comprised of current and deferred tax. Income tax expenses is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with requirement of BAS-12 "Income Taxes".

i) Current Tax
Current tax is the expected tax payable on the taxable income for the year/year using tax rates enacted or substantially enacted as of reporting date and any adjustment to tax payable in respect of previous years,

ii) Deferred Tax

The company has recognized deferred tax in compliance with the provision of BAS-12: "Income Taxes". The policy of recognition of deferred tax assets/liabilities is based on temporary differences (taxable or deductible) between the carrying amount (Book Value)of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income or expense has been considered to determine net profit after tax.

3.10 Borrowing Costs:

In compliance with the requirements of BAS-23 "Borrowing Costs" borrowing costs of operational year on long term loan and short term loan facilities from commercial bank was charged off as revenue expenditure as they incurred.

3.11 Segmental Reporting:

As required by BFRS-8 "Operating Segments", if an entity operates and engages in different economic environments and activities then the entity has to disclose information, to enable users of its financial statements to evaluate the nature and financial effects of the business so

The company consider the operation on aggregate basis and manage the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

3.12 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with **BAS-37 "Provisions, Contingent Liabilities and Contingent Assets"** should not be recognized in the year in which the recognition criteria of provision have been made.

3.13 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with **BAS 7 " Statement of Cash Flows"** and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method" and as prescribed by the **Securities and Exchange Rules, 1987.**

3.14 Earnings Per Share (EPS):

Earnings Per Share (EPS) has been calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share", by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

i) ***Basic Earnings Per Share:***

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

ii) ***Weighted Average Number of Ordinary Shares Outstanding during the year:***

The basis of computation of number of shares is in line with the provisions of BAS-33: "Earnings per Share". Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

3.15 Events after the Reporting year:

As per Bas-10; Events after the reporting year that provide additional information about the company's position at the date of financial position are reflected in the financial statements.

The company was getting a consent letter ref: no. BSEC/CI/IPO-269/2017/429 dated June 28, 2018 from Bangladesh Securities and Exchange Commission (BSEC) regarding the raising of share capital of Taka 30.00 (Thirty) crore through Initial Public Offering (IPO).

		Amount in Taka	
		30-Jun-18	30-Jun-17
4.00	**Property, Plant & Equipment**		
	A. At Cost		
	Opening Balance	1,171,185,520	1,098,525,407
	Addition during the year	235,782,192	72,660,113
	Total Cost	**1,406,967,712**	**1,171,185,520**
	B. Accumulated Depreciation		
	Opening Balance	464,446,968	415,456,753
	Depreciation for the year	52,060,634	48,990,215
	Total Depreciation	**516,507,602**	**464,446,968**
	Written Down Value (WDV)	**890,460,110**	**706,738,552**

Details of Property, Plant & Equipment and Depreciation are shown in the annexed **Annexure-A**

5.00	**Capital Work in Progress**		
	This is made up as follows:		
	Opening Balance	136,990,677	118,899,395
	Add: Addition during the year	79,114,440	90,751,395
	Total	**216,105,117**	**209,650,790**
	Less: Transfer to Assets During the year	18,328,520	72,660,113
	Closing Balance:	**197,776,597**	**136,990,677**

The item wise amount is given below:

Particulars		
Factory Building Decoration	56,348,805	36,723,285
Electrical Installation	23,715,620	9,462,500
Factory Building	117,712,172	90,804,892
Total	**197,776,597**	**136,990,677**

Itemwise Details Calculation shown in below:

Item Name	Opening balance	Addition during the year	Transfer to Asset	Closing Balance
Factory Building Decor	36,723,285	19,625,520	-	56,348,805
Electrical Installation	9,462,500	14,253,120	-	23,715,620
Vehicle	-	18,328,520	18,328,520	-
Factory Building	90,804,892	26,907,280	-	117,712,172
Total	**136,990,677**	**79,114,440**	**18,328,520**	**197,776,597**

6.00	**Inventories**			
	This is made up as follows:			
	Raw Materials	Note- 18.01	186,725,468	177,740,281
	Packing Materials	Note- 18.02	52,163,975	50,122,152
	Spares & Tools	Note- 18.03	21,356,248	20,902,753
	Promotional Materials & Gift items	Note- 19.02.01	27,145,877	28,101,578
	Finished goods	Note- 18	98,246,759	88,911,132
	Work in Process-Closing	Note- 18	4,136,185	3,770,438
	Total		**389,774,512**	**369,548,334**

6.01 Physical verification of the inventories was carried out by the management staff in presence of the auditor team. Stock has been valued on the basis of valuation is stated in note-3.03.

6.02 The Raw materials, Work-in-process and Finished goods of the above Inventories are hypothecation with NCC Bank Ltd. KowranBazar branch as primary Security against availing the

Details of Inventories are shown in the annexed **Annexure-B.**

		Amount in Taka	
		30-Jun-18	30-Jun-17

7.00 Trade and Other Receivable

This is made up as follows:

Particulars			
Receivables from Sales		245,867,317	249,305,062
Interest Receivables		3,924,066	4,193,903
Closing Balance:		**249,791,383**	**253,498,965**

The above amounts are unsecured but good and have been subsequently realized.

No amount was due by the Directors (including Managing Director, Managing Agent, Manager and other Officers of the company) and any of them severally or jointly with any other

Details of Trade and other Receivable are shown in the annexed **Annexure-C.**

Ageing of the above receivables from Sales is given below:

Receivables due over six months	-	-
Receivables due below six months	245,867,317	249,305,062
Total:	**245,867,317**	**249,305,062**

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Sl.	Particulars	Amount in Taka	
I	Receivables considered good in respect of which the company is fully secured.	-	-
II	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	245,867,317	249,305,062
III	Receivable considered doubtful or bad.	-	-
IV	Accounts Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be	-	-
V	Receivables due by common management.	-	-
VI	The maximum amount of receivable due by any director or other officer of the company.	-	-
Total:		**245,867,317**	**249,305,062**

8.00 Advances, Deposits & Prepayments

This is made up as follows:

Particulars			
Advances & Prepayments		**138,280,291**	**270,500,737**
Advance Income Tax	Note- 8.01	87,507,470	87,174,130
Advance against Purchase		24,937,246	28,158,756
Advance against L/C		8,150,500	9,758,224
Advance against Travelling & Others		1,632,500	1,864,273
Motorcycle Advances		7,945,000	9,056,250
Employee Advance		1,962,000	1,934,500
Advance against Office Rent		3,166,600	3,535,500
Advance against Land Purchase		-	127,700,000
Prepayments of VAT		2,978,975	1,319,104

	Amount in Taka	
	30-Jun-18	30-Jun-17
Deposits		
Security Deposit	**377,210**	**377,210**
Bakhrabad Gas System Ltd	48,610	48,610
Bangladesh T & T Board	40,600	40,600
Power Development Board	288,000	288,000
Total:	**138,657,501**	**270,877,947**

Advances: These advances are un-secured but good and subsequently realized and/or adjusted. The advance against land purchase represents the advance paid to Mrs. Sajeda Mirza against purchase of 3.14 acre land which was registered during the year under audit.

Deposits: These balances represents security deposits made by the company for Gas connection, Telephone line connection & Electricity connection etc.

There is no claim against the company, which can be acknowledge as debt.

No amount was due by the Directors (including Managing Director) and managing agents of the company and any of them severally or jointly with any other person.

8.01 Advance Income Tax

Opening	87,174,130	67,909,206
Add: Payment made during the year	51,391,266	39,972,442
Total	**138,565,396**	**107,881,648**
Less: Adjustment made During the year	51,057,926	20,707,518
Closing Balance:	**87,507,470**	**87,174,130**

9.00 Investment in FDR

The above balance is made up as follows:

Bank Name	Branch	Amount in Taka	
Jamuna Bank Ltd.	Foreign Exchange, Dhaka	10,000,000	10,000,000
Union Bank Ltd.	Panthapath, Dhaka	75,000,000	110,000,000
Total		**85,000,000**	**120,000,000**

10.00 Cash and Cash Equivalents

The above balance is made up as follows:

Particulars			
Cash in Hand at factory		3,010,545	3,962,534
Cash (HO)		2,606,549	2,839,522
Cash (Depot)		17,607,990	19,962,356
Postal Imprest		3,065	13,265
Cash at Bank	Note- 10.01	27,068,811	56,731,429
Total:		**50,296,960**	**83,509,106**

10.01 Cash at Bank

The above balance is made up as follows:

Bank Name	Account No.	Branch	Amount in Taka	
NCC Bank Limited	210003798	Kawranbazar	26,329,929	48,238,184
Al-Arafah Islami Bank Ltd.	1311020011891	Dhanmondi	11,538	5,253
Al-Arafah Islami Bank Ltd.	01311220001386	Dhanmondi	20,661	19,308
Dutch Bangla Bank Ltd.	171.110.380	Satmosjid Road	510,566	114,507
Dutch Bangla Bank Ltd.	1711200002165	Satmosjid Road	9,192	15,802
National Bank Ltd.	0063-33018855	Dhanmondi	48,133	28,087
Jamuna Bank Ltd.	0018-0210015437	Foreign Exchange	4,407	8,782
Union Bank Ltd.	31210000536	Panthapath	24,032	8,282,380
Sonali Bank Ltd.	2000602	Zigatola	110,353	19,126
Total			**27,068,811**	**56,731,429**

		Amount in Taka	
		30-Jun-18	30-Jun-17
11.00	**Share Capital:**		
	This is made up as follows:		
11.01	**Authorized Share Capital :**		
	15,00,00,000 ordinary shares of Tk 10/= each	**1,500,000,000**	**1,500,000,000**
11.02	**Issued, subscribed, called-up and paid-up share capital:**		
	5,00,00,000 ordinary shares of Taka 10/= each	1,000,000,000	500,000,000
	Add: Issued during the year 5,00,00,000 shares @ Tk. 10/- e	-	500,000,000
	Total 10,00,00,000 ordinary shares of Taka 10/= each.	**1,000,000,000**	**1,000,000,000**

Paid up capital of the company has been raised to Tk. 100,00,00,000.00 divided into 10,00,00,000 ordinary shares of tk. 10.00 each through allotment of Tk. 50,00,00,000.00 divided into 5,00,00,000 no's of ordinary shares on which taka 15,00,00,000.00 as on 24.07.2016 & taka 35,00,00,000.00 as on 20.02.2017 as per BSEC consent letter no: BSEC/CI/CPLC-498/2015/105 dated 17.02.2016.

The company splited (Consolidated) its share from Tk. 100.00 to Tk. 10.00 on 22.04.2014

The shareholding position of the company is shown in **Annexure D**.

11.03 The movement of Ordinary Shares during the year is as under:

	No. of Share	No. of Share
Opening Balance	100,000,000	50,000,000
Issued during the year	-	50,000,000
Closing Balance	**100,000,000**	**100,000,000**

12.00 Retained Earnings

This is made up as follows:

Opening balance	647,797,063	585,378,504
Add: Addition during the year	92,993,941	80,278,559
Total	740,791,004	665,657,063
Less: Dividend Paid	30,230,000	17,860,000
Closing Balance:	**710,561,004**	**647,797,063**

5% cash dividend has paid for general shareholders except sponsor shareholders/directors for the year ended 30 June, 2017.

13.00 Deferred Tax Liabilities

This is made up as follows:

Written Down Value of Non-Current Assets as per accounts	890,460,110	706,738,552
Written Down Value of Non-Current Assets as per Tax base	629,832,134	460,935,049
Taxable Temporary Difference	**260,627,976**	**245,803,503**
Effective Tax Rate	35%	35%
Deferred Tax Liabilities	**91,219,792**	**86,031,226**

		Amount in Taka	
		30-Jun-18	30-Jun-17
14.00	**Trade and Other Payables**		
	This is made up as follows:		
	Particulars		
	Global capsules Ltd.	56,975	4,265
	Ganashasthya Antibiotic Ltd.	-	19,754
	Alvi Enterprise	58,350	-
	New Green Printers	-	29,784
	Moitry plastic	-	41,752
	Moni Printers & Packaging	-	48,957
	Sun Enterprise	-	33,745
	Bhai Bhai Printing & Packaging	87,460	-
	BIO Lab	106,456	-
	Millennium Boiler House, Dhaka	-	32,642
	Builtrade Foils	53,578	-
	Carton Mela	-	-
	Crystal Flexipack Ltd.	50,770	-
	Metro Foils Ltd.	58,956	-
	Harun Electronics	-	4,862
	Zilfaraz Electronics	-	4,631
	Hossain Hardware Store	-	59,674
	Shajalal Glass House	-	56,847
	Sun Shine Traders	814,225	457,468
	Rasayan Ghar	392,113	130,642
	Tuhin Chemicals	-	184,632
	JMS Glass Industries	40,326	71,546
	AGI Printing & Packaging Ltd.	475,213	798,564
	R.B. Printers	218,555	403,562
	Dhaka Foil Corporation	444,547	367,584
	Poly web Printing & Packaging	265,134	168,956
	Quality Can Industries	61,348	113,452
	Reaz Enterprise	387,196	1,278,462
	W & W Company Ltd.	774,833	-
	Tanim Plastic Industries	115,958	-
	Total	**4,461,993**	**4,311,781**

This represents the amount payable to suppliers of raw materials, packing materials, etc. All suppliers were paid on a regular basis.

15.00 Current Portion of Long Term Loan

This is made up as follows:

Outstanding position of Long Term Loan from NCC Bank Limited is shown below:

Opening Balance	99,000,000	114,416,826
Add: Addition during the year	-	-
Total	99,000,000	114,416,826
Less: Paid during the year	-	15,416,826
Net balance	99,000,000	99,000,000
Less: Transferred to Current Portion	99,000,000	99,000,000
Closing Balance:	**-**	**-**

The Long Term Loan Liability with NCC Bank Ltd., Kawranbazar Branch, represents the unpaid amount of Taka 9,90,00,000.00 which will be paid from IPO proceeds. Hence the amount of liability held with NCC Bank is treated as Current Liabilities.

AMARSTOCK

			Amount in Taka	
			30-Jun-18	30-Jun-17
16.00	**Provision for expenses**			
	This is made up as follows:			
	Particulars			
	Directors Remuneration		100,000	100,000
	Field Forces Expenses		168,542	206,426
	Utilities		292,526	225,919
	Office Rent		243,500	271,000
	Salary & Wages		4,897,500	4,478,942
	Audit Fees		115,000	115,000
	Overtime		43,586	52,688
	Interest payable	Note- 16.01	2,722,500	-
	Printing & Stationery		12,648	22,842
	Worker's Profit Participation Fund (WPPF)	Note- 16.02	7,193,811	11,936,217
	Provision for Income Tax	Note- 16.03	80,724,661	86,614,477
	Total		**96,514,274**	**104,023,511**
	Liabilities for Expenses Except Income Tax Liability		**15,789,613**	**17,409,034**

16.01 Interest Payable

This is made up as follows:		
Opening balance	-	-
Add: Provision made during the year	5,445,000	-
Total	5,445,000	-
Less: Paid/Adjustment made during the year	2,722,500	-
Closing balance	**2,722,500**	**-**

16.02 Worker's Profit Participation Fund (WPPF)

This is made up as follows:		
Opening balance	11,936,217	5,748,044
Add: Provision made during the year	7,193,811	6,188,173
Total	19,130,028	11,936,217
Less: Paid/Adjustment made during the year	11,936,217	-
Closing balance	**7,193,811**	**11,936,217**

16.03 Provision for Income Tax

This is made up as follows:		
Opening balance	86,614,477	71,765,445
Add: Provision made during the year	45,693,708	35,724,236
Total	132,308,185	107,489,681
Less: Paid/Adjustment made during the year	51,583,524	20,875,204
Closing balance	**80,724,661**	**86,614,477**

		Amount in Taka	
		01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017

17.00 Turnover

This is made up as follows:

Particulars			
Local Sales (Net)		685,233,408	602,491,592
Total:		**685,233,408**	**602,491,592**

Details of Turnover/Sales mentioning item wise quantity and value as required under schedule-XI, part-II, para-3(a) of the Companies Act, 1994 is given below:

Name of Item	Quantity (Pcs/PHs)		Amount in Taka	
	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
Tablet	122,315,555	117,914,259	396,076,835	350,448,751
Capsule	32,237,361	31,604,719	213,407,090	189,836,346
Liquid	1,407,291	1,168,539	57,731,415	48,562,231
Dry Syrup	204,350	153,834	18,018,068	13,644,264
Total	**156,164,557**	**150,841,351**	**685,233,408**	**602,491,592**

18.00 Cost of goods sold

This is made up as follows:

Raw materials consumed	Note- 18.01	213,048,774	202,046,732
Packing materials consumed	Note- 18.02	114,232,151	95,556,542
Consumable item consumed	Note- 18.03	16,639,389	13,487,037
		343,920,314	**311,090,311**
Work in process- Opening		3,770,438	3,622,136
Work in process- Closing		4,136,185	3,770,438
Change in work in process		**(365,747)**	**(148,302)**
Total consumption		**343,554,567**	**310,942,009**
Add: Manufacturing Overhead	Note- 18.04	34,880,757	34,402,262
Add: Depreciation		48,416,390	45,560,900
Cost of production		**426,851,714**	**390,905,171**
Finished goods - Opening		88,911,132	68,475,632
Finished goods - Closing		98,246,759	88,911,132
Change of finished goods stock		**(9,335,627)**	**(20,435,500)**
Less: Cost of Sample		5,276,493	4,693,878
Cost of Goods Sold		**412,239,594**	**365,775,793**

18.01 Raw materials consumed

This is made up as follows:

Opening Stock	177,740,281	153,184,259
Add: Purchase during the year	222,033,961	226,602,754
Available for production	**399,774,242**	**379,787,013**
Less: Closing Stock	186,725,468	177,740,281
Consumption during the year	**213,048,774**	**202,046,732**

18.02 Packing materials consumed

This is made up as follows:

Opening Stock	50,122,152	37,825,468
Add: Purchase during the year	116,273,974	107,853,226
Available for Consumed	**166,396,126**	**145,678,694**
Less: Closing Stock	52,163,975	50,122,152
Consumption during the year	**114,232,151**	**95,556,542**

			Amount in Taka	
			01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
18.03	**Consumable Spares & Tools**			
	This is made up as follows:			
	Opening Stock		20,902,753	20,865,437
	Add: Purchase during the year		17,092,884	13,524,353
	Consumable Spares & Tools available		**37,995,637**	**34,389,790**
	Less: Closing Stock		21,356,248	20,902,753
	Consumption during the year		**16,639,389**	**13,487,037**
18.04	**Manufacturing overhead**			
	This is made up as follows:			
	Salary & Wages		18,712,950	17,659,888
	Workers' benefit and welfare expense		2,053,052	2,189,634
	Overtime		655,864	775,321
	Laboratory Expenses		966,688	997,880
	Postage & Stamp		232,878	347,430
	Indirect materials		2,247,318	2,331,710
	Electricity Bill		1,929,437	1,359,067
	Gas bill		68,903	60,814
	Factory Rent		552,000	523,200
	Uniform and liveries		392,160	521,293
	Carriage Inward		1,251,653	1,476,324
	Medical Expenses		474,940	538,020
	Power & Fuel		1,846,255	1,340,451
	Printing & Stationery		533,582	571,691
	Conveyance		227,792	295,168
	Repairs & Maintenance		1,863,796	2,235,830
	Sanitation & Cleaning		477,329	636,761
	Entertainment		394,160	541,780
	Total		**34,880,757**	**34,402,262**
19.00	**Operating Expenses**			
	This is made up as follows:			
	Administrative Expenses	Note- 19.01	26,925,876	23,627,690
	Selling & Distribution Expenses	Note- 19.02	98,484,408	88,447,075
	Total		**125,410,284**	**112,074,765**
19.01	**Administrative Expenses**			
	This is made up as follows:			
	Salaries and allowances		14,766,500	13,414,506
	Printing & Stationery		454,097	552,870
	Phone, Fax and Mobile Bill		208,336	201,818
	Postage & Stamps		67,737	91,388
	Tours and Travelling Expenses		115,598	190,868
	Utility Bill		1,159,957	1,229,045
	Entertainment		137,385	168,612
	Medical & Welfare Expenses		71,657	168,100
	Licenses Renewal and Registration Fee		392,085	127,500
	Audit Fees		115,000	115,000
	Office Rent		1,832,780	1,737,156
	Directors Remuneration		1,200,000	1,800,000
	Board meeting attending fees		232,875	474,375
	Depreciation		3,123,638	2,939,413
	Repairs & Maintenance		207,354	410,059
	RJSC Exp.		9,295	6,980
	Contribution to Provident Fund		1,631,582	
	Legal & Professional fees		1,200,000	-
	Total		**26,925,876**	**23,627,690**

			Amount in Taka	
			01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
19.02	**Selling & Distribution Expenses**			
	This is made up as follows:			
	Salaries and allowances		59,540,052	52,302,764
	Field forces expenses		5,903,977	4,091,784
	Transportation & Handling Expenses		1,949,609	2,004,266
	Advertisement Expenses		279,594	140,414
	Repair & Maintenance		446,554	616,523
	Traveling Expenses		560,222	638,041
	Phone, Fax and Mobile Bill		113,456	89,630
	Sample Expenses		5,276,493	4,693,878
	Consumption of promotional materials	Note- 19.02.01	18,913,825	18,369,030
	Postage & Courier		158,436	170,322
	Entertainment		301,433	388,364
	Printing & Stationery		453,457	477,614
	Training Expenses		188,984	348,823
	Bank Charge		255,058	48,505
	Office Rent		2,496,000	2,367,480
	Depreciation		520,606	489,902
	Vehicle Maintenance		558,576	624,156
	Loading & Unloading		461,851	498,404
	License fees & Renewals		106,225	87,175
	Total		**98,484,408**	**88,447,075**
19.02.01	**Promotional materials & Gift Items**			
	This is made up as follows:			
	Opening Stock		28,101,578	21,362,984
	Add: Purchase during the year		17,958,124	25,107,624
	Available		**46,059,702**	**46,470,608**
	Less: Closing Stock		27,145,877	28,101,578
	Consumption during the year		**18,913,825**	**18,369,030**
20.00	**Financial Expenses**			
	This is made up as follows:			
	Interest on Short Term Loan		5,445,000	-
	Bank Charge & Commission		175,364	354,646
	Total		**5,620,364**	**354,646**

The NCC Bank was charged interest of Bank Loan from 01 January 2018 @ 11% which is charged in the accounts.

21.00	**Other Income**			
	This is made up as follows:			
	Interest on FDR		8,089,884	4,193,903
	Interest on Bank STD Accounts		33,426	806,899
	Sale of Wastage		983,550	664,437
	Total		**9,106,860**	**5,665,239**

		Amount in Taka	
		01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
22.00	**Workers Profit Participation Fund (WPPF)**		
	This balance consists of as follows:		
	Net Profit before Contribution to WPPF	151,070,026	129,951,627
	Rate of contribution to WPPF(%)	5.00%	5.00%
	Workers Profit Participation Fund (WPPF)	**7,193,811**	**6,188,173**
	Note: Allocation for workers' profit participation fund has been made @ 5% of profit after charging such expenses as per provisions of the Bangladesh Labour (Amendment) Act,		
23.00	**Income Tax expenses:**		
23.01	**Current Tax Expenses**		
	This is made up as follows:		
	Net Profit before Income Tax	143,876,215	123,763,454
	Add: Accounting Depreciation	52,060,634	48,990,215
	Less: Tax Depreciation	66,885,107	71,163,526
	Taxable Profit	**129,051,742**	**101,590,143**
	Tax Rate	35.00%	35.00%
	Current Tax Expenses during the year	**45,168,110**	**35,556,550**
	Current Tax Expenses for the previous year (2015-16 & 2014-15)	525,598	167,686
	Total Current Tax Expenses	**45,693,708**	**35,724,236**
23.02	**Deferred Tax Expenses/(Income)**		
	Written Down Value of Non-Current Assets as per account	890,460,110	706,738,552
	Written Down Value of Non-Current Assets as per Tax bas	629,832,134	460,935,049
	Taxable Temporary Difference	**260,627,976**	**245,803,503**
	Effective Tax Rate	35%	35%
	Current year Deferred Tax Liabilities	**91,219,792**	**86,031,226**
	Opening Deferred Tax Liabilities	**86,031,226**	**78,270,567**
	Deferred Tax Expenses/(Income)	**5,188,566**	**7,760,659**
24.00	**Earning Per Share**		
	This is made up as follows:		
	Net profit after Tax (Numerator)	92,993,941	80,278,559
	Weighted Average Number of Ordinary Shares (Denominato	100,000,000	77,818,082
	Earning Per Share (EPS)	**0.93**	**1.03**
25.00	**Net Asset Value (NAV) Per Share**	**30-Jun-18**	**30-Jun-17**
	Total Assets	2,001,757,063	1,941,163,581
	Less: Total Liabilities	291,196,059	293,366,518
	Net Asset Value	**1,710,561,004**	**1,647,797,063**
	Total Number of Share outstanding	100,000,000	100,000,000
	Net Asset Value (NAV) Per Share	**17.11**	**16.48**
26.00	**Net Operating Cash Flow Per Share(NOCFPS)**	**01/07/2017 to 30/06/2018**	**01/07/2016 to 30/06/2017**
	Net Operating Cash Flow (Numerator)	133,608,466	80,378,112
	Weighted	100,000,000	77,818,082
	Net Operating Cash Flow Per Share(NOCFPS)	**1.34**	**1.03**

27.00 Disclosure as per requirement of Schedule XI, Part II of The Companies Act, 1994

27.01 Quantity wise schedule as required under Para 3, Schedule XI, Part II of The Companies Act, 1994

Quantity wise schedules of sales, raw material consumed and closing stock of finished goods relating to the financial statements for the year ended 30 June, 2018 as required under Para 3, Part II of the Companies Act, 1994 given below:

a. Sales:

Particulars	30-Jun-18		30-Jun-17	
	Quantity (Pcs/PHs)	Amount in Taka	Quantity (Pcs/PHs)	Amount in Taka
Domestic sales	156,164,557	685,233,408	150,841,351	602,491,592
Total	156,164,557	685,233,408	150,841,351	602,491,592

b. No Commission paid to selling agents during the year.

c. No brokerage and discount paid on sales, other than the usual trade discount during the year.

d. (i) Raw Materials consumed:

Particulars	30-Jun-2018		30-Jun-2017	
	R M (Kg)	Amount in Taka	R M (Kg)	Amount in Taka
Opening stock	237,528	177,740,281	219,276	153,184,259
Purchase	296,738	222,033,961	302,854	226,602,754
Raw material available for consumption	**534,266**	**399,774,242**	**522,130**	**379,787,013**
Closing stock	(248,514)	186,725,468	(237,528)	177,740,281
Raw material consumed	**285,752**	**213,048,774**	**284,602**	**202,046,732**

(ii) Finished goods:

Classes of Goods	30-Jun-18			30-Jun-17		
	Opening Qty.	Production Qty.	Closing Qty.	Opening Qty.	Production	Closing Qty.
Tablet (Pcs.)	19,150,485	123,738,252	20,573,182	18,337,580	118,727,164	19,150,485
Capsule (Pcs.)	10,481,071	33,921,496	12,165,206	10,247,490	31,838,300	10,481,071
Liquid (PHs.)	248,406	1,397,836	238,951	159,945	1,257,000	248,406
Dry Syrup (PHs.)	42,926	204,873	43,449	18,150	178,600	42,926
Total	29,922,889	159,262,456	33,020,789	28,763,175	152,001,065	29,922,889

Note-5 under Para 3, Schedule XI, Part II of The Companies Act, 1994

Employee Position of SILVA PHARMACEUTICALS LTD. as at 30 June, 2018

Salary Range (Monthly)	Total Employee	Officer & Staff		Worker & Employee	
		Head Office	Factory	Field	Factory
For the year ended 30 June, 2018	1,082	72	32	782	196
Below 3,000	-	-	-	-	-
Above 3,000	1,082	72	32	782	196
For the year ended 30 June, 2017	1,034	72	32	741	189

27.02 Payment information to Directors as per requirement of schedule XI, part II, Para 4

Payment to directors within the year ending 30 June, 2018 is as follows:

	30-06-18	30-06-17
(a) Managerial Remuneration paid or payable during the financial year to the directors, including managing directors, a managing agent or manager;	1,200,000	1,800,000
(b) Expenses reimbursed to the Managing Agent;	Nil	Nil
(c) Commission or Remuneration payable separately to a managing agent or his associate;	Nil	Nil
(d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.;	Nil	Nil

	30-06-18	30-06-17
(e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.;	Nil	Nil
(f) Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable ;	232,875	474,375
(g) Other allowances and commission including guarantee commission.	Nil	Nil
(h) Pensions etc.		
(i) Pensions	Nil	Nil
(ii) Gratuities	Nil	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
(iv) Compensation for loss of office	Nil	Nil
(v) Considaration in connection with retirement from office.	Nil	Nil

27.03 Quantitative information of production capacity for the year ended 30 June, 2018 as per requirement of schedule XI, part II, Para 7

Name of Item	Installed Capacity Million Pcs/Ph.		Actual Production Million Pcs/Ph		% of Capacity Utilization	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Tablet	200.00	198.00	123.74	119.09	61.87%	60.14%
Capsule	53.00	52.00	33.92	31.84	64.00%	61.23%
Liquid	2.00	1.80	1.40	1.26	69.89%	69.83%
Dry Syrup	0.25	0.22	0.20	0.18	81.95%	81.18%
Total	**255.25**	**252.02**	**159.26**	**152.36**	**62.39%**	**60.46%**

Note: Capacity is calculated considering 300 days per year; 2 shifts per day and 8 hours per shifts.

27.04 Disclosure as per requirement of schedule XI, part II, Para 8

a) Value of imports calculated on C.I.F basis by the company during the year ended 30 June, 2018 in respect of Raw materials, Component and Spare parts and Capital Goods were as follows:

S.L	Period	Particulars	Import Unit	Import Quantity	Import Amount in BDT
i	July-2017 to June-2018	Raw Materials	Kg/Ltr.	76,075	152,706,635
ii		Packing Materials	Pcs/Kg	205,478	46,236,689
iii		Components of Spare parts	Pcs	60	146,958
iv		Capital Goods	Pcs	2	1,601,584
Total				**281,615**	**200,691,866**

b) The Company did not have any expenditure in foreign currency during the year on account of Royalty, Know-how, Professional consultancy fees, Interest and other matters.

c) Value of both imported and Indigenous raw materials, Spare parts and consumption thereon were as follows:

Particulars	Raw Materials			Components and Spare parts		
	Imported Value (in BDT)	Indigenous Value (in BDT)	Total	Imported Value (in BDT)	Indigenous Value(in BDT)	Total
Opening Balance	-	177,740,281	177,740,281	-	20,902,753	20,902,753
Purchase during the year	152,706,635	69,327,326	222,033,961	146,958	16,945,926	17,092,884
Closing Balance	2,256,852	184,468,616	186,725,468	14,696	21,341,552	21,356,248
Consumption during the year	150,449,783	62,598,991	213,048,774	132,262	16,507,127	16,639,389
Percentage of total consumption during the year	70.62%	29.38%	100.00%	0.79%	99.21%	100.00%

Particulars	Packing Materials		
	Imported Value (in BDT)	Indigenous Value (in BDT)	Total
Opening Balance	-	50,122,152	50,122,152
Purchase during the year	46,236,689	70,037,285	116,273,974
Closing Balance	3,082,446	49,081,529	52,163,975
Consumption during the year	43,154,243	71,077,908	114,232,151
Percentage of total consumption during the year	37.78%	62.22%	100.00%

d) No amount is remitted during the year in foreign currencies on account of dividend with a specific mention of the number of non-residents shareholders, the number of shares held by them on which the dividends were due and the period to which the dividends, related.

e) Earnings in foreign exchange classified under the following heads as follows:

i) No export made during the year;

ii) No royalty , know -how, professional and consultation fees were received;

iii) No Interest and Dividend received;

iv) No Other income received

28.00 Related Party Transactions:

The company carried out a number of transactions with related parties in the normal course of business and on arm's length basis as per BAS-24 "Related Party Disclosures". The nature of the transactions and their relative value is shown below:

i. Payable with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Payable	Value of goods / Services received during the year	Amount paid during the year	Balance Payable as at 31.03.2018
Dr. Saira Khan	Managing Director	Directors Remuneration	100,000	1,200,000	1,200,000	100,000
Mr. A. R. Hassan Mirza	Sponsor Shareholder	Office Rent	132,810	1,593,720	1,593,720	132,810
SR Fisheries and Dairy Farm ltd.	Common Director	No transaction with SPL except investment in Company's shares				
Al-Amin Agro Fisheries Complex Ltd.	Common Director	No transaction with SPL except investment in Company's shares				
Adarsha Fisheries & Poultry Farm Ltd.	Common Director	No transaction with SPL except investment in Company's shares				

ii. Advances with related Party:

Name of the Related Parties	Nature of Relationship	Nature of Transaction	Opening Balance	Amount paid during the year	Amount Received during the year	Balance Payable as at 30.06.2018
Mrs. Sajeda Mirza	Sponsor Shareholder	Land purchase	127,700,000	39,500,000	167,200,000	-

Further requirements as per BAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:	30-06-18	30-06-17
(a) Short-term employee benefits	-	-
(b) Post-employee benefits	Nil	Nil
© Other long term benefits	Nil	Nil
(d) Termination benefits and	Nil	Nil
(e) Share-based payment	Nil	Nil

29.00 Director Remuneration & Fees :

Directors are entitled to Tk. 7,500.00 only as Board Meeting attending fee for attending of each Board Meeting. Managing Director's monthly remuneration is Tk 1,00,000.00.

This is made up as follows :

Name of Board of Directors	Position	Meeting attending Fees	Remuneration	Total Amount in Taka
Mrs. Silvana Mirza	Chairman	34,500	-	34,500
Dr. Saira Khan	Managing Director	34,500	1,200,000	1,234,500
Mrs. Farhana Mirza	Director	25,875	-	25,875
Mrs. Samina Mirza	Director	25,875	-	25,875
Mr. Monsur Rahman, Nominated byAdarsha Fisheries & Poultry Farm Ltd.	Director	34,500	-	34,500
Mr. Nazrul Islam Khan, Nominated by ICB	Director	25,875	-	25,875
Md. Musfiqur Rahman FCA	Independent Director	25,875	-	25,875
Tanha Zarrin Ahmed, Bar-at-Law	Independent Director	25,875	-	25,875
Total		**232,875**	**1,200,000**	**1,432,875**

Board Meeting and Attendance

The number of Board Meeting and Attendance of Directors during the year from 01 July, 2017 to 30 June, 2018 were as follows:

Name of Directors	Position	No. of Meetings held	No. of Meetings Attended
Mrs. Silvana Mirza	Chairman	4	4
Dr. Saira Khan	Managing Director	4	4
Mrs. Farhana Mirza	Director	4	3
Mrs. Samina Mirza	Director	4	3
Mr. Monsur Rahman, Nominated byAdarsha Fisheries & Poultry Farm	Director	4	4
Mr. Nazrul Islam Khan, Nominated by ICB	Director	4	3
Md. Musfiqur Rahman FCA	Independent Director	4	3
Tanha Zarrin Ahmed, Bar-at-Law	Independent Director	4	3

30.00 General:

30.01 Capital Expenditure Commitment:

There was no capital expenditure contracted but not incurred or provided as on 30.06.2018.

There was no material capital expenditure authorized by the board but not contracted for as on 30.06.2018.

30.02 Claim not Acknowledged as Debts:

There is no claim against the company which have been acknowledged as debt as at 30 June, 2018.

30.03 Commission, Brokerage or Discount:

No commission, brokerage or discount was incurred or paid by the company against sales during the year.

30.04 Un-availed Credit Facilities:

There are no credit facilities available to the company under any contract (other than credit available in ordinary course of business) at the Statement of Financial Position date.

AMAR STOCK

Annexure-A

Silva Pharmaceuticals Limited

Schedule of Property, Plant & Equipment

As at 30 June, 2018

Amount in Taka

Particulars	Cost			Rate (%)	Depreciation			Written Down Value as at 30 June, 2018
	Balance as on 01 July, 2017	Addition during the year	Balance as on 30 June, 2018		Balance as on 01 July, 2017	Charge during the year	Balance as on 30 June, 2018	
Land & Land Development	81,659,667	190,115,614	271,775,281	0%	-	-	-	271,775,281
Plant & Machinery	581,315,693	2,817,048	584,132,741	10%	283,070,470	29,918,681	312,989,151	271,143,590
Generator	12,396,170	-	12,396,170	10%	7,516,600	487,957	8,004,557	4,391,613
Building Decoration	33,885,191	542,500	34,427,691	10%	21,625,074	1,271,047	22,896,121	11,531,570
Electrical Installation	4,300,101	-	4,300,101	10%	2,640,143	165,996	2,806,139	1,493,962
Gas Installation	389,890	-	389,890	10%	247,216	14,267	261,483	128,407
Office Equipment	28,686,517	5,857,120	34,543,637	10%	12,305,528	1,807,472	14,113,000	20,430,637
Factory Equipment	33,732,837	4,591,400	38,324,237	10%	13,417,090	2,210,650	15,627,740	22,696,497
Furniture and Fixture	30,875,396	4,384,000	35,259,396	10%	15,605,406	1,700,438	17,305,844	17,953,552
Vehicle	83,820,351	18,328,520	102,148,871	20%	57,720,600	7,068,864	64,789,464	37,359,407
Power House	1,195,705	-	1,195,705	10%	780,039	41,567	821,606	374,099
Laboratory Equipment	29,020,462	7,406,850	36,427,312	10%	13,902,095	1,993,030	15,895,125	20,532,187
Factory Building & Warehouse	249,907,540	1,739,140	251,646,680	2.5%	35,616,707	5,380,665	40,997,372	210,649,308
Total	**1,171,185,520**	**235,782,192**	**1,406,967,712**		**464,446,968**	**52,060,634**	**516,507,602**	**890,460,110**
30 June, 2017	**1,098,525,407**	**72,660,113**	**1,171,185,520**		**415,456,753**	**48,990,215**	**464,446,968**	**706,738,552**

Depreciation Allocated to:	01/07/2017 to 30/06/2018	01/07/2016 to 30/06/2017
Charged during the year	52,060,634	48,990,215
Adjustment during the year	-	-
	52,060,634	**48,990,215**
Factory Overhead	48,416,390	45,560,900
Administrative Expenses	3,123,638	2,939,413
Selling & Distribution Expense	520,606	489,902
	52,060,634	**48,990,215**

ANNUAL STOCK

Silva Pharmaceuticals Limited

House # 65 , Road # 8/A , Dhanmondi, Dhaka-1209

Schedule of Finished Goods & Raw Material stock as on 30-06-2018

Finished Goods **Annexure-B (1)**

Sl. No.	Particulars	As on 30.06.2018		As on 30.06.2017	
		Qty. (Box/PHs)	Amount in Taka	Qty. (Box/PHs)	Amount in Taka
1	Factory Warehouse	55,250	7,574,852	64,257	9,170,353
2	Central Warehouse	159,362	20,717,060	134,562	18,687,034
3	Noakhali DMO	63,657	8,657,367	43,562	6,285,463
4	Rajshahi DMO	52,365	7,106,757	49,215	6,895,426
5	Rangpur DMO	47,754	6,365,768	39,867	5,875,462
6	Mumensingh DMO	42,850	5,821,875	40,125	5,678,414
7	Dhaka DMO	55,325	7,594,808	42,975	5,984,576
8	Sylhet DMO	48,621	6,567,939	36,819	5,142,879
9	Comilla DMO	50,202	6,476,067	36,984	5,326,417
10	Barisal DMO	28,825	4,190,875	22,801	3,199,631
11	Faridpur DMO	26,894	3,263,458	25,875	2,894,567
12	Jessore DMO	27,961	3,860,662	22,208	3,767,458
13	Chittagong DMO	35,846	4,746,133	34,987	4,869,572
14	Bogra DMO	38,205	5,303,138	37,543	5,133,880
	Total	**733,117**	**98,246,759**	**631,780**	**88,911,132**

AMARSTOCK

Raw Materials

Annexure-B (2)

Sl. No.	Item Name	Quantity (Kg/ Pcs)	Rate	30.06.2018 Amount	30.06.2017 Amount
1	Azithromycin Dehydrate USP (Comp)	985.42	10,735.80	10,579,271	10,490,030
2	Azithromycin Dehydrate USP (Mic)	1,147.28	2,452.24	2,813,404	2,725,428
3	Bambuterol Hydrochloride BP	93.75	33,426.44	3,133,728	6,410,215
4	Carbonyl Iron+Folic Acid+Zinc Sulphate Pellets	835.27	1,488.53	1,243,329	963,407
5	Cephradine BP (Compacted)	2,411.67	4,658.83	11,235,549	10,356,491
6	Cephradine BP (Micronized)	1,205.68	4,791.62	5,777,158	5,266,092
7	Cefixime Trihydrate USP (Comp)	355.75	21,578.67	7,676,613	6,903,136
8	Cefixime Trihydrate USP (Mic)	423.37	20,134.01	8,524,138	8,544,191
9	Chondroitin Sulphate INN	602.61	6,771.18	4,080,384	4,011,302
10	Fluvastatin Sodium INN	26.64	185,357.16	4,937,915	4,750,566
11	Flucloxacillin Sodium BP(Comp)	791.82	4,858.28	3,846,880	3,816,593
12	Gabapentin INN	328.08	4,952.93	1,624,957	1,546,349
13	D-Glucosamine Sulphate INN	2,158.64	855.20	1,846,064	1,423,178
14	Ketotifen Fumarate INN	28.27	90,201.67	2,550,001	2,367,164
15	Ketorolac Tromethamine USP	96.88	23,645.32	2,290,759	2,264,141
16	Levofloxacin Hemihydrate INN	1,205.57	4,251.39	5,125,348	4,725,083
17	Omeprazole BP (8.5% E/C Pellets)	7,958.18	732.26	5,827,427	5,055,331
18	Paracetamol BP(Compacted)	9,955.21	275.15	2,739,202	2,708,674
19	Pyridoxine Hydrochloride BP	2,723.26	1,485.63	4,045,751	3,706,402
20	Riboflavin-5 Phosphate Sodium BP	205.46	11,225.19	2,306,327	1,984,294
21	Timonium Methyl Sulphate INN	708.12	10,443.18	7,395,027	7,277,702
22	Thiamine Mononitrate BP	2,055.91	1,405.66	2,889,907	2,871,997
23	Vitamin E Acetate 50%	545.32	2,105.12	1,147,969	1,156,013
24	Vitamin A(As Dry Vit. A Acetate)	291.06	7,102.93	2,067,364	2,077,709
25	Caffeine BP (Anhydrous)	4,825.33	898.40	4,335,076	3,854,036
26	Ambroxol Hydrochloride BP	343.45	3,878.49	1,332,074	1,261,687
27	Omeprazole BP (Powder)	325.19	4,251.90	1,382,674	1,340,502
28	Nitazoxanide INN	1,917.70	4,449.85	8,533,483	6,735,830
29	Eszopiclone INN	11.85	218,308.52	2,586,956	3,041,400
30	Levosalbutamol Sulphate INN	70.44	101,834.13	7,173,298	7,285,322
31	Vitamin E	450.00	2,003.84	901,727	826,089
32	Cod Liver Oil BP	1,823.19	602.13	1,097,791	895,847
33	Ciprofloxacin Hydrochloride USP Pellets(20%)	3,973.87	1,904.08	7,566,556	7,226,792
34	L-Selenomethionine USP(5000 DCP)	241.11	6,967.19	1,679,837	1,617,597
35	Meclizine Hydrochloride BP	466.00	8,163.93	3,804,390	3,722,291
36	Calcium Lactate BP	7,248.72	178.80	1,296,056	1,097,887
37	Magnesium Lactate Ph. Grade	3,175.60	428.72	1,361,447	1,337,447
38	Pantoprazole Sodium Sesquihydrate INN	381.15	8,105.78	3,089,516	3,032,356
39	Ascorbic Acid BP	1,005.65	1,119.00	1,125,326	1,017,790
40	Stannous Chloride Dehydrate Ph. Gr.	188.49	16,400.00	3,091,236	2,895,585
41	Vitamin B12	1,601.57	895.11	1,433,580	903,077
42	Kolidon CL	1,532.92	1,537.50	2,356,867	2,350,761
43	Cipruxime Axitil BP	248.18	14,118.69	3,503,975	3,615,848
44	Cipruxime Axitil BP - Coated	85.37	16,384.49	1,398,744	1,627,729
45	Dexa-Ibupropen	881.66	2,955.96	2,606,146	2,607,640
46	Colloidal Silicon Dioxide BP (Aerosil - 200)	1,750.41	599.94	1,050,148	1,102,556
47	Gum Accacia USP	5,452.07	325.42	1,774,196	1,535,251
48	Povidone K-30 BP	2,505.65	623.19	1,561,504	1,599,542
49	Sucrose	56,246.30	66.87	3,760,946	371,258
50	Flavor	1,706.25	585.41	998,860	1,033,890
51	Color	2,649.57	2,308.63	6,116,880	6,409,781
52	Shell	18,062,517	0.14	2,480,984	2,370,169
	Sub Total			185,104,743	176,117,449
53	**Others Active & Excepiance Raw Materials**			1,620,725	1,622,832
	Grand Total			**186,725,468**	**177,740,281**

Annexure-C

Silva Pharmaceuticals Limited

Schedule of Accounts Receivable

As at 30 June, 2018

Particulars	Amount in Taka	
	30-Jun-18	30-Jun-17
Barisal Region	19,678,543	18,986,472
Bogra Region	20,845,726	22,246,158
Chittagong Region	23,217,456	22,154,867
Comilla Region	22,781,634	22,534,685
Dhaka Region	22,316,721	19,789,452
Faridpur Region	12,745,832	11,845,675
Jessore Region	23,162,749	19,756,497
Mymensingh Region	19,351,764	19,165,249
Noakhali Region	25,342,512	27,451,862
Rajshahi Region	19,731,285	21,483,139
Rangpur Region	19,256,827	22,505,109
Sylhet Region	17,436,268	21,385,897
Total	**245,867,317**	**249,305,062**

AMAR STOCK

Annexure-D

Silva Pharmaceuticals Limited

House No. 65, Road No. 8/A, Dhanmondi, Dhaka-1209.

Statement of Shareholding Position as on 30.06.2018

Sl. No.	Name of Allotment	Position	No. of shares	Amount in Taka	Percentage of
1	Mrs. Silvana Mirza	Chairman	2,910,000	29,100,000	2.91%
2	Dr. Saira Khan	Managing Director	6,970,000	69,700,000	6.97%
3	Mrs. Samina Mirza	Director	2,910,000	29,100,000	2.91%
4	Mrs. Farhana Mirza	Director	2,910,000	29,100,000	2.91%
5	Adarsha Fisheries & Poultry Farm Ltd.	Director	5,090,000	50,900,000	5.09%
6	Investment Corporation of Bangladesh (ICB)	Director	30,000,000	300,000,000	30.00%
7	Md. Anwar Mirza	Shareholder	4,850,000	48,500,000	4.85%
8	Mrs. Sajeda Mirza	Shareholder	4,950,000	49,500,000	4.95%
9	Mr. Shibli Mirza	Shareholder	4,000,000	40,000,000	4.00%
10	Mr. AR Hassan Mirza	Shareholder	4,950,000	49,500,000	4.95%
11	Al Amin Agro Fisheries Complex Ltd.	Shareholder	4,950,000	49,500,000	4.95%
12	SR Fisheries & Dairy Farm Ltd.	Shareholder	1,040,000	10,400,000	1.04%
13	AGIL Foods Ltd.	Shareholder	200,000	2,000,000	0.20%
14	AGIL Pack Ltd.	Shareholder	70,000	700,000	0.07%
15	AGI Flour Mills Ltd.	Shareholder	270,000	2,700,000	0.27%
16	AGI Printing & Packaging Ltd.	Shareholder	1,170,000	11,700,000	1.17%
17	Al Amin Logistics Ltd.	Shareholder	70,000	700,000	0.07%
18	SR Trading	Shareholder	1,720,000	17,200,000	1.72%
19	SR Enterprise	Shareholder	1,160,000	11,600,000	1.16%
20	Mars Packaging Industries	Shareholder	870,000	8,700,000	0.87%
21	Mr. Mahmud Rahman	Shareholder	1,020,000	10,200,000	1.02%
22	Mr. Monsur Rahman	Shareholder	1,020,000	10,200,000	1.02%
23	Mr. Mohammad Enayet Ullah	Shareholder	1,015,000	10,150,000	1.02%
24	Mr. Iqbal Hossain	Shareholder	110,000	1,100,000	0.11%
25	Mr. Hossain Shaid Surwardhy	Shareholder	10,000	100,000	0.01%
26	Ms. Umme Sara	Shareholder	5,000	50,000	0.01%
27	Mr. Mahamudul Hasan bin Sorwar	Shareholder	155,000	1,550,000	0.16%
28	Mr. Mozammel Hossain	Shareholder	55,000	550,000	0.06%
29	Md. Ziaul Hoque	Shareholder	55,000	550,000	0.06%
30	Md. Nazmul Hoque	Shareholder	55,000	550,000	0.06%
31	Ms. Sayma Rahman	Shareholder	5,000	50,000	0.01%
32	Md. Nazmul Hoque	Shareholder	5,000	50,000	0.01%
33	Md. Kamrul Islam	Shareholder	10,000	100,000	0.01%
34	BLI Capital Limited	Shareholder	5,000,000	50,000,000	5.00%
35	Md. Abdul hakim	Shareholder	100,000	1,000,000	0.10%
36	Sanjeeb Kumar Tarafder	Shareholder	100,000	1,000,000	0.10%
37	Syed Rezaul Karim	Shareholder	100,000	1,000,000	0.10%
38	Mrs. Shamima Nasrin	Shareholder	100,000	1,000,000	0.10%
39	Mr. M. Mominul Islam Sangram	Shareholder	100,000	1,000,000	0.10%
40	Mrs. Kaniz Shabnam Mustari	Shareholder	100,000	1,000,000	0.10%
41	Sayed Mohammad Haseeb	Shareholder	100,000	1,000,000	0.10%
42	Mr. Khurshid Ahmmed Siddique	Shareholder	480,000	4,800,000	0.48%
43	Mr. Alauddine Bhuiya	Shareholder	360,000	3,600,000	0.36%
44	Md. Borhan Uddin	Shareholder	50,000	500,000	0.05%
45	Rawad Ashraf	Shareholder	100,000	1,000,000	0.10%

46	Md. Abdul wadud	Shareholder	100,000	1,000,000	0.10%
47	Md. Hasan Tareq	Shareholder	50,000	500,000	0.05%
48	Mrs. Shamima Yesmin	Shareholder	50,000	500,000	0.05%
49	Mr. Gopal Chandra Karmakar	Shareholder	50,000	500,000	0.05%
50	Satyendra Nath Roy	Shareholder	50,000	500,000	0.05%
51	Istak Ahmmed	Shareholder	100,000	1,000,000	0.10%
52	Shepaul Alam Shiplu	Shareholder	75,000	750,000	0.08%
53	Tajul Islam	Shareholder	600,000	6,000,000	0.60%
54	Shamima Ara	Shareholder	150,000	1,500,000	0.15%
55	Pradip Kumar Saha	Shareholder	75,000	750,000	0.08%
56	Md. Abul Kaiwm Sikder	Shareholder	200,000	2,000,000	0.20%
57	Md. Foysal Ahmmed	Shareholder	250,000	2,500,000	0.25%
58	Bidhan Saha	Shareholder	75,000	750,000	0.08%
59	Mohammad Towhidul Islam	Shareholder	125,000	1,250,000	0.13%
60	Shakil Mahmud	Shareholder	1,000,000	10,000,000	1.00%
61	Md. Shariful Islam	Shareholder	50,000	500,000	0.05%
62	Mrs. Fatima Alam	Shareholder	200,000	2,000,000	0.20%
63	Khairul Bashar	Shareholder	50,000	500,000	0.05%
64	Habibur Rahman Sikder	Shareholder	50,000	500,000	0.05%
65	Md. Tarif Hasan Tomal	Shareholder	100,000	1,000,000	0.10%
66	Mrs. Shahnaj Pervin	Shareholder	100,000	1,000,000	0.10%
67	Bloomest Company Ltd.	Shareholder	100,000	1,000,000	0.10%
68	Montaha Akhter	Shareholder	30,000	300,000	0.03%
69	Nuruzzaman Chowdhury	Shareholder	100,000	1,000,000	0.10%
70	Shamsul Haque	Shareholder	200,000	2,000,000	0.20%
71	Shaheen Siddique	Shareholder	200,000	2,000,000	0.20%
72	Golam Faruque	Shareholder	200,000	2,000,000	0.20%
73	Tofayel Mustafa Sorwar	Shareholder	200,000	2,000,000	0.20%
74	Hamidul Hoque	Shareholder	200,000	2,000,000	0.20%
75	Md. Mizanur Rahman	Shareholder	200,000	2,000,000	0.20%
76	Md. Soroar Hossain	Shareholder	250,000	2,500,000	0.25%
77	Md. Kabir Uddin Ahmed	Shareholder	250,000	2,500,000	0.25%
78	Global Max Packaging Ind. Ltd.	Shareholder	850,000	8,500,000	0.85%
79	Rafeza Akhter	Shareholder	50,000	500,000	0.05%
80	Suzana Samrin	Shareholder	50,000	500,000	0.05%
81	Mir Md. Zainul Abedin Shebly	Shareholder	50,000	500,000	0.05%
82	Md. Nur Islam	Shareholder	100,000	1,000,000	0.10%
83	Md. Motiur Rahman	Shareholder	1,000,000	10,000,000	1.00%
84	Nazrul Islam Khondoker	Shareholder	100,000	1,000,000	0.10%
85	Md. Shaiful Islam	Shareholder	100,000	1,000,000	0.10%
86	Mohammad Shamsul Alam Chowdhury	Shareholder	100,000	1,000,000	0.10%
87	Pappu Saha	Shareholder	100,000	1,000,000	0.10%
88	F. A. Trading Corporation	Shareholder	600,000	6,000,000	0.60%
89	Abdul Ahad Md. Helal Uddin	Shareholder	200,000	2,000,000	0.20%
Total			**100,000,000**	**1,000,000,000**	**100.00%**

Shareholders Note:

ANAND STOCK

SILVA PHARMACEUTICALS LIMITED

Registered Office: House # 65, Road # 8/A, Dhanmondi, Dhaka-1209.

PROXY FORM

I/We ..... *of* .....*being a member of Silva Pharmaceuticals Limited do hereby appoint.*

Mr./Mrs./Miss. .....*of* .....*as my proxy to attend and vote for me/us and on my/our behalf at the 17th Annual General Meeting (AGM) of the Shareholders of Silva Pharmaceuticals Limited (SPL) to be held on 28th August, 2018 at 09.30 a.m. at corporate office, House # 65, Road # 8/A, Dhanmondi, Dhaka-1209.*

As witness my / our hand this .....Day of August, 2018.

Affix 10 Taka Stamps

Signature of the proxy

Dated: .....

Signature of the Shareholder

Reg. Folio #.....

Dated: .....

NOTE:

1) *A member entitled to attend and vote at the 17th Annual General Meeting may appoint at Proxy to attend and vote in his / her stead.*
2) *The Proxy Form, duly completed, stamped and signed must be deposited at least 48 hours before the meeting at the company's registered office.*

.....

SILVA PHARMACEUTICALS LIMITED

Registered Office: House # 65, Road # 8/A, Dhanmondi, Dhaka-1209.

Attendance Slip

I / We do hereby record my attendance at the 17th Annual General Meeting (AGM) being held on 28th August, 2018 at 09.30 a.m. at corporate office, House # 65, Road # 8/A, Dhanmondi, Dhaka-1209.

Name of member / proxy .....

Signature

Dated: .....

Note:

1) *Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip.*
2) *Signature of the shareholder should confirm to the specimen signature recorded with the company.*
3) *Please bring this attendance slip with you. Admission into the meeting room will not be allowed without it.*


Silva Pharmaceuticals Limited
House#65, Road#8/A (New), Dhanmondi, Dhaka-1209, Bangladesh