



SILCO PHARMACEUTICALS LIMITED



ANNUAL REPORT || **2018**
2019

www.silcopharma.com



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LETTER OF TRANSMITTAL

The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub: Annual Report for the year ended June 30, 2019

Dear Sir(s)

We are pleased to enclose a copy of Annual Report together with Audited Financial statements of the company including Statement of Financial Position as at 30 June 2019, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2019 along with notes to the Financial Statements thereon for your necessary measures and record.

Yours sincerely,

Sd/-
Company Secretary
Silco Pharmaceuticals Limited
December 12, 2019



To. _____

Silco Pharmaceuticals Limited (SPL)
41, Nurani, Ban Kalapara, Subid Bazar, Sylhet.



Mission:

We are committed to developing safe and effective Pharmaceuticals products for the people.

Vision:

To discover, develop and deliver innovative medicines that help patients prevail over serious diseases.

Profile of Board of Directors



Mrs. Naim Fatema
Chairman



Dr. Badrul Haque Rukan
Managing Director



Dr. Md. Azizur Rahman
Director



Dr. Shahana Ferdous Chowdhury
Director



Dr. Gulshan-E-Jahan
Director



Dr. Mahmudul Majid Chowdhury
Director



Prof. Dr. Faisal Ahmed
Director



Prof. Dr. Md Harunur Rashid
Director



Prof. Dr. Md Abul Ahab
Independent Director



Prof. Dr. Md Rezaul Karim
Independent Director



Dr. Iqbal Hossain Chowdhury
Independent Director

Directors Background:

Mrs. Naim Fatema

Chairman, Silco Pharmaceuticals Ltd.

Mrs. Naim Fatema is the Chairman of Silco Pharmaceuticals Ltd. She was born in a respectable Muslim family at Sylhet in 1954. Mrs. Fatema completed her BA (Hons) and MA in Sociology and started her professional career in the field of teaching profession and now she is the Head Mistress of M.C College Shisu Biddaloy, Sylhet. Mrs. Fatema is also a Director of North East Medical College. She visited many countries including UK, USA, India, Bangkok, Malaysia etc. on business and personal tour.

Dr. Md. Badrul Haque Rukan

Managing Director, Silco Pharmaceuticals Ltd.

Dr. Md. Badrul Haque Rukan, aged 64, is a Director of the company since inception. He is currently employed as a Managing Director of the company. Mr. Rukan is a prominent Child Specialist in Sylhet city; completed his MBBS, DCH from DUB, also achieved MRSH degree from London. After obtaining his MBBS Degree he engages himself in his own profession and simultaneously engages in relevant business sector and serving efficiently in medical, Pharmaceuticals industry and profession for more than 35 years. He has long experience involving in Pharmaceuticals industry with particular experience in product development and marketing. Dr. Rukan is also involved with many social organizations and visited many countries including UK, USA, India, Bangkok, Malaysia, Singapore etc. on business and personal purpose. He is also the director of Park View Medical College and National Diagnostic Centre situated in Sylhet.

Dr. Md. Azizur Rahman

Director, Silco Pharmaceuticals Ltd.

Dr. Azizur Rahman is a Director Silco Pharmaceuticals Ltd. and he has extensive experience working with pharmaceuticals Industry. He is a professor of Child Health of North East Medical College & Hospital. Dr. Azizur Rahman is also a sitting Chairman and Director of Al-Amin Dental College, Sylhet. During his career as a medical professional he has awarded many degrees in Bangladesh and overseas. He completed his MBBS and DTM & H from Dhaka Medical College & Hospital and achieved MRSH degree from London, UK.

Dr. Shahana Ferdous Chowdhury

Director, Silco Pharmaceuticals Ltd.

Dr. Shahana Ferdous Chowdhury was born in a prominent Muslim family at Sylhet in 1961. She achieved her FCPS from London. She is a Gynecologist Specialist and Surgeon and trained in VVF & Laparoscopic Surgery from Delhi. Dr. Shahana is presently employed in Sylhet Women's Medical College & Hospital as a Professor and Head of Department of Gynecology & Obstetrics. She is also a Director of United Poly Clinic.

Dr. Gulshan-E-Jahan

Director, Silco Pharmaceuticals Ltd.

Dr. Gulshan-E-Jahan, aged 61, is a Director of the company. She has completed her MBBS degree from Bangladesh and subsequently achieved FCPS. She is currently employed in North East Medical College & Hospital as an Assistant Professor in Depart-

Prof. Dr. Md. Harunur Rashid

Director, Silco Pharmaceuticals Ltd.

Prof. Dr. Md. Harunur Rashid is one of the renowned and famous ENT specialists in Bangladesh, born in 1955. He has completed MBBS and DLO from Dhaka Medical. He is involved in Silco Pharmaceuticals Ltd. since inception of the Company and advising in product & market development. He is a former Vice Principal and head of the ENT department of Sylhet MAG Osmani Medical College, Sylhet. Prof. Dr. Md. Harunur Rashid visited many countries including UK, USA, Japan, China, India, Thailand, Malaysia and many others.

Dr. Mahmudul Majid Chowdhury

Director, Silco Pharmaceuticals Ltd.

Dr. Mahmudul Majid Chowdhury is a Medicine Specialist trained from overseas countries. He has completed his MBBS and DIM in Internal Medicine from Bangladesh and subsequently trained from Royal Post Graduate Medical College. Dr. Chowdhury also received Specialist Training in Medicine from London Hammersmith Hospital, UK. He has vast experience and knowledge about Internal Medicine. He also worked as a Medicine specialist in Sylhet MAG Osmani Medical College Hospital, Sylhet.

Prof. Dr. Faisal Ahmed

Director, Silco Pharmaceuticals Ltd.

Prof. Dr. Faisal Ahmed has completed MBBS and FCPS in Medicine. He is currently employed as a Professor and Head of Medicine Department in Sylhet Women's Medical College, Sylhet. He is also a Director of Sylhet Women's Medical College, National Diagnostic Centre and Mount Adora Hospital. He has 32 years of experience in Medicine.

Prof. Dr. Md. Abul Ahab

Independent Director, Silco Pharmaceuticals Ltd.

Prof. Dr. Md. Abul Ahab has completed MBBS, FCPS and MS degree from different overseas countries and Medical College, born in 1953 in prominent Muslim family. He is specialist in Medicine and Liver Diseases. Prof. Ahab was former principal and head of Medicine Department at Sylhet MAG Osmani Medical College. He is also a Director of Park View Medical College and Chairman of Mount Adora Hospital, Sylhet. Prof. Ahab is contributing to Silco Pharmaceuticals Ltd business strategy development as independent director as he has approximately 35 years of experience in Medical Science and Pharmaceuticals industry of Bangladesh. Mr. Ahab has financial and management experience as well as he gained such experience while he was principal at Sylhet MAG Osmani Medical College.

Prof. Dr. Rezaul Karim

Independent Director, Silco Pharmaceuticals Ltd.

Prof. Dr. Rezaul Karim born in 1953 in a prominent Muslim family in Sylhet. He was completed MBBS, FCPS and MS from USA. He is Ex Professor of Psychiatry and Principal of Sylhet MAG Osmani Medical College Hospital. Prof. Karim currently employed as a Principal and Head of the Department of Psychiatry at Sylhet Women's Medical College and also a Director of Sylhet Women's Medical College. Prof. Karim is contributing to Silco Pharmaceuticals Ltd. on strategy development and market development as independent director as he has approximately 35 years of experience in Medical Science and Pharmaceuticals industry of Bangladesh.

Dr. Iqbal Hossain Chowdhury

Independent Director, Silco Pharmaceuticals Ltd.

Dr. Iqbal Hossain Chowdhury born in 1954 in prominent Muslim family in Sylhet. He is one of the independent directors of Silco Pharmaceuticals Ltd. Dr. Chowdhury is a MBBS doctor and was former Divisional Director of Health in Sylhet. While he was Divisional Director of Health he had gained valuable experience in accounting, finance, internal and external audit and that giving him opportunity to contribute as Independent Director and Chairman of the Audit Committee of SPL.

Notice of The 24th Annual General Meeting

Silco Pharmaceuticals Limited (SPL)
41, Nurani, Ban Kalapara, Subid Bazar, Sylhet.
Notice of the 24th Annual General Meeting (AGM)

Notice is hereby given to all the Shareholders of Silco Pharmaceuticals Limited that the 24th Annual General Meeting (AGM) of the Company will be held on Thursday, 26th December 2019 at 10:00 A.M. at the "Khan Palace Convention Hall, Subid Bazar" Sylhet to transact the following business.

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2019, together with the report of the Directors' and Auditors' thereon.
02. To declare dividend for the year ended June 30, 2019.
03. To elect/re-elect and retirement the Directors as per Articles of Association of the Company.
04. To the appointment/re-appointment of Statutory Auditor(s) for the year ended June 30, 2020 and fix their remuneration.
05. To approve the appointment of auditor for certification of compliance on Corporate Governance for the year ended June 30, 2020 & fix the remuneration.
06. To consider the progress of Utilization of IPO Proceeds.
07. To transact any other business with the permission of the Chair.

By order of the Board

Sd/-

Mr. Tingku Ranjan Sarker
Company Secretary

Dated: Dhaka
December 12, 2019

Note:

01. The Shareholders whose names will appear in the Share Register of the Company or Depository Register of CDBL as on the Record Date i.e. November 19, 2019 will be eligible to attend the 24th Annual General Meeting (AGM) and qualify for the dividend.
02. A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. Proxy form must be affixed with requisite revenue stamp and must be submitted at the corporate office of the Company, not more than 48 hours before the time fixed for the meeting.
03. Admission to the meeting will be strictly depending on production of the attendance slip sent with the notice as well as verification of signature of Members/ (S) and/or Proxy holders/(s).
04. Shareholders are requested to update their BO account with ETIN in their respective Brokerage House to avoid deduction of 15% tax instead of 10% for individuals as per Section 54 of the amended Income Tax Ordinance, 1984.

N.B: In compliance with Bangladesh Securities and Exchange Commission's Circular No. BSEC/CMRRCD/2009-193/154 dated October 24, 2013, no gift/gift coupon/food box/benefit in cash or in kind shall be distributed/paid to the Shareholders for attending the 24th Annual General Meeting.

Company Profile



Incorporation	As a Public Limited Company	January 25, 1995 & Reg. no. C-277781(1627)/95
Commencement of Commercial Operation	30-October-2003	
Factory	BSCIC Industrial Estate, Khadimnagor, Sylhet-3103, Bangladesh.	
Corporate & Registered Office	41, Nurani, Ban kalapara, Subid Bazar, Sylhet-3100	
Nature of Business	Silco Pharmaceuticals Limited has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Antipyretics, Anti-inflammatory Drugs, Antiulcerants, Multi medicines which are sold mainly in local market. The Company production and selling of veterinary medicine also.	

Business Identification Number	:000144716
Import Registration Number	:BA-116725
Present Status	:Publicly Traded Company
Stock Exchange Listing	:Dhaka and Chittagong Stock Exchange
Trade Code	:SILCOPHL
Authorized Capital	:BDT 1,050,000,000.00
Paid-up Capital	:BDT 943,700,000.00 (As on June 30, 2019)
Employees	:384
Registered and Corporate Office	:41, Nurani, Ban Kalapara, Subid Bazar. Sylhet-3100.
Factory	:BSCIC Industrial Estate, Khadimnagor, Sylhet- 3103, Bangladesh.
E-mail Address	:silco.sylhet@yahoo.com
Website Address	:www.silcopharma.com

Corporate Review

(a) Board of Directors

Mrs. Naim Fatema	: Chairman
Dr. Md. Badrul Haque Rukan	: Managing Director
Dr. Md. Azizur Rahman	: Director
Dr. Shahana Ferdous Chowdhury	: Director
Dr. Gulshan-E-Jahan	: Director
Dr. Md. Harunur Rashid	: Director
Dr. Mahmudul Majid Chowdhury	: Director
Prof. Dr. Md. Faisal Ahmed	: Director
Prof. Dr. Md. Abul Ahab	: Independent Director
Prof. Dr. Md. Rezaul Karim	: Independent Director
Dr. Iqbal Hossain Chowdhury	: Independent Director

(b) Audit Committee:

Prof. Dr. Md. Abul Ahab (Independent Director)	: Chairman
Prof. Dr. Md. Harunur Rashid (Director)	: Member
Dr. Md. Azizur Rahman (Director)	: Member
Mr. Tingku Ranjan Sarker (Company Secretary)	: Secretary of the Committee

(c) Nomination & Remuneration Committee:

Prof. Dr. Md. Rezaul Karim (Independent Director)	: Chairman
Prof. Dr. Md. Faisal Ahmed (Director)	: Member
Dr. Mahmudul Majid Chowdhury (Director)	: Member
Mr. Tingku Ranjan Sarker (Company Secretary)	: Member Secretary

(d) Bankers to the Company:

The City Bank Limited
The Pubali bank Limited
The Prime Bank Limited
The AB Bank Limited





MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim
Respected Members, Shareholders and Other Stockholders,
Assalamualaikum

It is a great pleasure for me to be here with you at the 24th Annual General Meeting of Silco Pharmaceuticals Limited. On behalf of the Board of Directors and myself, I express my heartfelt thanks and profound gratitude to you for your support and confidence. It is also my privilege to present to you Company's Annual Report for the year ended June 30, 2019 along with our business performance. Silco Pharmaceuticals Limited, performed well during the year 2018-2019. We believe that our endeavors and teamwork have enabled the Company to maintain its profitability under competitive industry scenario. Our relentless endeavor is to create value for investment of the shareholders who have pledged their trust on us over the years.

In 2018-2019, the Company has maintained its stable profit from operation. It is expected that positive trend will continue in the coming years. Based on performance and business results the Board has recommended 2% Cash dividend for all shareholders and 10% Stock Dividend for all Shareholders totaling 12% for the year 2018-2019.

Silco Pharmaceuticals Limited recognizes that its people are its most valuable asset. Accordingly, Company continued its programs for development of its human resources being the key contributor to Company's success. We value the contributions of our employees to the organization and adopted policy to reward them accordingly.

While concluding, I express my gratitude to the dedicated workforce and management team of your company for their dedication and commitments towards customers which added value in the successful performance 2018-2019. I also believe that your management team and your people are always ready to meet the challenges ahead. I would also like to thank the members of the Board of Directors for their continued support to the Management of the Company. I express my sincere thanks to all of the Shareholders of the company for their continued trust and confidence on us. On behalf of Board, I also express my sincere appreciation to all of our Customers', Suppliers, NBR, RJSC, BSEC, DSE, CSE, other relevant authorities of Government, Bank & Financial Institutions, and other service agencies and stakeholders for their decent support and cooperation for achieving the results of the company.

Yours sincerely

Sd-/
Mrs. Naim Fatema
Chairman



Managing Director's Statement

Bismillahir Rahmanir Rahim
Respected Members, Shareholders and Other Stockholders,
Assalamualaikum

This is a great moment for me to be here with you at the 24th Annual General Meeting of Silco Pharmaceuticals Ltd. On behalf of the Board of Directors and myself, I express my earnest appreciations and profound gratitude to you for your enormous support and coordination. It is also my privilege to present you Company's Annual Report for the Year ended June 30, 2019 along with our business performance. We are always trying to create the value for investment of the shareholders who have pledged their trust on us over the years.

Pharmaceutical sector is one the fastest growing industry and creating the enormous scope for better economic development of the country. Whereas economic development is undoubtedly a key determinant of market growth, it is not upfront to quantify the relationship of an exogenous factor such as GDP growth rate, with market growth because of the multitude of a variety of factors influencing performance.

Regarding the fiscal year 2018-19 we are pleased with our overall performance of pharmaceutical business. In this year we have become a public listed company of Dhaka and Chittagong Stock Exchange Ltd. With gratitude to all respect personnel related to stock exchanges, banks, auditors, issue managers, media and specially the investors of all over Bangladesh having faith and showing keen interest to have share with our company. Looking at the performance of each molecule, it is clear that the prospects of endogenous growth remain good in Bangladesh. The examples of relatively old molecules which have experienced growth spurts in the local market simply because of the backing of strong and sustained promotional programs.

As we have mentioned in the last few years, achieving growth year after year in the pharmaceutical business is becoming unite a challenge due to the scarcity of new pharmaceutical products in the world. We have also stressed that in this environment of low R&D productivity, it has become increasingly important to efficiently utilize the full potential of existing product portfolio.

Silco Pharmaceuticals Ltd. truly believes that its people are its most valuable assets. Accordingly, the Company continued its programs for development of its human resources being the key contributor to Company's success. We value the contributions of our employees to the organization and adopted policy to reward them accordingly.

Silco Pharmaceuticals Ltd. performed very well during the year 2018-2019. We believe that our endeavors and team work have enabled the Company to maintain its profitability under competitive industry scenario.

In 2018-2019, the Company has maintained its growth in Profit comparing to the previous year. It is anticipated that positive momentum will continue in the coming year. Based on performance and business results the Board has recommended 2% Cash & 10% Stock dividend totaling 12% for the year 2018-2019

At Silco Pharmaceuticals Ltd. we are working for a better future for our stakeholders, buyers, employees and society at large. At this occasion, I would like to thank the employees, without their efforts and commitments we would not have earned such a strong business position. I would also like to extend my gratitude to the Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Central Depository Bangladesh Limited and our numerous shareholders for their valuable guidance, support and cooperation at the time of our needs. Our commitment is to attain our cherished mission through execution of prudent business strategies while ensuring that we contribute positively towards the furtherance of our national economy.

Yours sincerely

Sd/-

Dr. Md. Badrul Haque Rukan

Managing Director

Director's Report to the Shareholders

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamualaikum,

On behalf of the Board of Directors of Silco Pharmaceuticals Limited (SPL), I welcome you all to the 24th Annual General Meeting. It is our pleasure to appear before you the Audited Financial Statements of the Company for the year ended June 30, 2019, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, listing regulations of DSE and CSE, the guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and International Accounting Standards and other applicable rules & regulations.

Background

Silco Pharmaceuticals Limited was incorporated as a public limited company on 25th January, 1995 Vide Registration No. C-27781(1627)/95 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994 and started its commercial operation on 30th October, 2003. Silco Pharmaceuticals Limited has engaged in manufacturing and marketing of pharmaceuticals finished products in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Antipyretics, Anti-inflammatory Drugs, Antiulcerants, Multi medicines which are sold mainly in local market. The Company went for Initial Public Offering of shares in 10th April 2019. The Company was listed with Dhaka Stock Exchange Limited (DSE) on 25 April 2019 and Chittagong Stock Exchanges Limited (CSE) on 30 April 2019. The Authorized capital of the company is Tk. 1050 million and paid-up capital 943.7 million as at June 30, 2019.

Business Activities

During the reporting period, there is any changes haven't been occurred that effect on the financial performance or result and financial position.

During the reporting year EPS is tk. 2.28 which was tk 1.64 in last year, revenue tk. 919.04 million which was tk 917.77 million in last year, NOCFPS is tk 1.14 which was tk 1.34 in last year and NAV is tk. 23.12 which was tk 27.05 in last year.

The operating financial results of the Company for the year 2018-2019 as compared to previous year are summarized hereunder:

Particular	2018-19	2017-18
Turnover	919,041,362	917,775,216
Gross Profit	279,728,868	295,232,446
Financial Expenses	690,254	1,139,143
Non-Operating Income	1,021,443	321,068
Net Profit Before Tax (NPBT)	141,797,517	162,098,798
Provision for Taxation	20,686,928	56,734,579
Net Profit After Tax (NPAT)	162,484,445	105,364,219
Gross Margin (Turnover)	30.43%	32.17%
Net Margin Before Tax	15.43%	17.66%
Net Margin After Tax	17.68%	11.48%
Earnings Per Share (EPS) BDT.	2.28	1.64
Number of Shares used to compute EPS	94,370,000	64,370,000

i) Industry outlook and possible future developments in the industry

The Pharmaceutical sector is one of the most developed among the manufacturing industries in Bangladesh although it is still small compared to other comparable sectors. The increase in awareness about healthcare, higher income and increasing government expenditure have resulted in higher demand for medicine.

As mentioned earlier, the Company is engaged in manufacturing, marketing and distribution of generic pharmaceuticals products which include human drugs dosages form such as tablet, capsule, syrup, oral saline, suspension and powder for suspension etc. The products of the Company are sold in domestic market. The Company production and selling of veterinary medicine also. As one of the pioneer pharmaceuticals manufacturers in Bangladesh, we try to make full use of the market scope, our business potentials and dynamics to benefit the best interests of our shareholders.

The company has been operating its operation for a long time with reputation and commitment. With vast experience in pharmaceuticals manufacturing, we are confident and believe that we can hold on our reputation as a quality manufacturer. We have plans to add other items of pharmaceuticals in our product line.

ii) Segment wise Reporting

The company operates only in one segment, which is manufacturing and selling of all kinds of medicine, medical preparations drugs & chemicals (Human Health). The Company production and selling of veterinary medicine also.

iii) Risk and concerns

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any insufficiency or price hike of raw materials due to change in policy in the international market might hamper the production and profitability. Changes in currency exchange rates might also affect the pricing and thereby the profitability of the Company.

The performance of the company may also be affected negatively by the political and economic instability both in Bangladesh and worldwide.

Exchange rate Risks

Exchange rate risk occurs due to changes in exchange rates. As the Company imports raw materials and equipment's from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Discussion on cost of goods sold, gross margin and net profit margin

Profit from Operation	30-June-19		30-June-18	
	Amount	Percentage	Amount	Percentage
Turnover	919,041,362	100.00	917,775,216	100.00
Cost of Goods Sold	639,312,494	69.56	622,542,770	67.83
Gross Profit	279,728,868	30.44	295,232,446	32.17
Net Profit for the year	162,484,445	17.68	105,364,219	11.48

Continuity of any Extra-Ordinary Gain or Loss

Silco Pharmaceuticals Limited has no any Extra-Ordinary Gain or Loss for the year ended 30th June, 2019.

Related party transactions

Related party transactions are presented in note no. 25.01 of the notes to the financial statements of the Audited Financial Statements.

Corporate and Financial Reporting

The Directors are pleased to confirm the following:

- i. The financial statements prepared by the management of the company present fairly its statements state of affairs, the result of its operations, cash flows and changes in equity.
- ii. Proper books and accounts of the company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- iv. International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- v. The system of Internal Control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. There are no significant deviations from last year in operating results.
- viii. Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- ix. No bonus shares or stock dividend has been or shall be declared as interim dividend

Directors Remuneration:

Only one Director takes remuneration from the company. Total remuneration expenses of the Directors have been disclosed as an expense under the head of Administrative Expenses of financial statements. Independent Directors do not take any remuneration from the company.

Dividend Declaration

Based on performance and business results the Board has recommended 2% Cash & 10% Stock dividend totaling 12% for the year 2018-2019.

Management Discussion and Analysis Signed by the Managing Director

Bangladesh has been enjoying a strong macroeconomic stability for a decade. Constant 6% plus economic growth has been witnessed in this decade. As per provisional estimate of BBS, the GDP growth stood at 8.13% in FY2018-19, which was 7.86% in previous fiscal year. It is forecasted 8% plus in this FY 2019-2020. Per capita income has been increasing constantly and it is predicted that it would be USD 1909 in the fiscal year 2018-2019. Earlier it was USD 1,751 in 2017-18, which was USD 1,610 in FY 2016-17. All are eyeing to be middle income country by 2027. In the fiscal year 2019-2020, in the first quarter, our export growth has been slumped due to low demand from our exporting countries and we hope in the coming months it will be recovered with the concerted effort by the government and business communities. Forex Reserve is around USD 32 billion and it is facing huge pressure because of high import as huge development works are underway in the country. However, government has taken new initiatives by providing 2% cash incentives for foreign remittance. We hope that it will boost up foreign reserve or at least manage the downward pressure on forex reserve because of high import.

For last five financial years the company generated moderate growth in sales. In 2015, sales stood Tk. 851.2 million and now in 2019 sales stand Tk. 919.04 million. In line with sales, net profit after tax had been increased from around Tk. 117 million in 2015 to Tk. 162 million in 2019. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company is moving forward and it has good promise in the long run.

The management is also like to inform on the following issues:

- a) The company followed accounting policies and procedure for the preparation of Financial Statements with relevant International Accounting Standard (IASs), International Financial Reporting Standard (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) which has been disclosed in the notes to the Financial Statements.
- b) During the reporting period 2018-2019 accounting policies and procedures were followed on consistently basis in maintaining financial records and presentation. No changes were made during the financial year in the accounting policies and procedures.
- c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years have been presented at the directors report.
- d) The company achieved favorable financial performance in comparing with peer industries during the reporting year, the company achieved its revenue Tk. 919.04 million.
- e) The world business environment is now volatile and sluggish. The company is very much aware about the world business environment and competes with these challenges with strong management efficiency and stepping ahead for the sustainable growth of the shareholders and the country as well.

As far as risks are concerned, Silco Pharmaceuticals Limited. is exposed to foreign exchange risk, inflation risk. Foreign exchange risk is trade-off between export and import. As we have to make less payment against export earning, foreign exchange risk is mitigated. In terms of inflation, this is adjusted in sales price. Hence, Company can mitigate this risk as well.

Dr. Md. Badrul Haque Rukan

Sd/-

Managing Director

Our Principle Products

Group	Trade Name	Generic Name
ANTIMICROBIAL	Azosil-500 Tablet	Azithromycin USP 500mg
	Azosil 15 ml Dry Susp.	Azithromycin USP 200mg/5ml
	Azosil 35 ml Dry Susp.	Azithromycin USP 200mg/5ml
	Bactacef 500 Capsule	Cephadrine BP 500mg.
	Bactacef Dry Susp.	Cephadrine BP125mg/5ml.
	Bactacef DS Dry Susp.	Cephadrine BP 250mg/5ml
	Bactazim 200 Capsule	Cefixime USP 200mg.
	Bactazim 400 Capsule	Cefixime USP 400mg.
	Bactazim Dry Susp.	Cefixime USP 100mg/5ml
	Cefusil 250 Tablet	Cefuroxime axetil BP 250mg.
	Cefusil 500 Tablet	Cefuroxime axetil BP 500mg + Clavulanic Acid 125mg
	Cefusil CV 250	Cefuroxime axetil BP 250mg +Clavulanic Acid 62.5mg
	Cefusil 500 Tablet	Cefuroxime axetil BP 500mg + Clavulanic Acid 125mg
	Erosil Dry Susp.	Erythromycin USP 125mg/5ml
	Leosil-500 Tablet	Levofloxacin Hemihydrate INN 500mg.
	MQ-4 Tablet	Moxifloxacin Hydrochloride BP 400mg.
Silflox Tablet-500 Tablet	Ciprofloxacin USP 500mg	
ANTIULCERANT	Mucin-R-150 Tablet	Moxifloxacin Hydrochloride BP 400mg.
	Peplo-20 Capsule	Omeprazole BP 20mg
	Panosa-40 Tablet	Omeprazole BP 40mg
	Panosa-20 Tablet	Pantoprazole INN 20mg
	Peplo-40 Capsule	Pantoprazole INN 40mg
	Esonam 20 Capsule	Esomeprazole Mag.Trihydrate INN 20mg
	Esonam 40 Capsule	Esomeprazole Mag.Trihydrate INN 40mg
Rabsil 20 Tablet	Rabeprazole Sodium INN 20mg.	
GASTROPROKINETIC	Peristal Syrup	Domperidone Maleate BP 5mg/5ml.
	Peristal Tablet	Domperidone BP 10mg.
ANTIPROTOZOL	Silmet Tablet	Metronidazole BP 400mg
	Silmet Suspension	Metronidazole Benzoate BP 200mg/5ml
ANTISPASMODIC	Silgin Tablet	TiemoniumMethylsulfate INN 50mg
CENTRAL MUSCLE RELAXANT	Baclax-10 Tablet	Baclofen BP 10mg.
ANRIFUNGLE	Silcona -50 Capsule	Fluconazole INN 50mg
	Silcona -150 Capsule	Fluconazole INN 150mg
ANTIHYPERTENSIVE & ANTIANGINAL	Alopin-5 Tablet	Amlodipine BP 5mg.
	Losart- P Tablet	Losartan Potassium USP 50mg
	Oltan-A 20/5 Tablet	OlmesartanMedoxomil INN 20mg + Amlodipine BP 5mg.
	Oltan-A 40/5 Tablet	OlmesartanMedoxomil INN 40mg + Amlodipine BP 5mg.
	Tensin - 50 Tablet	Atenolol BP 50mg
ANTIDIABETIC	Metfosil 500 Tablet	Metformin Hydrochloride BP 500mg
	Metfosil 850 Tablet	Metformin Hydrochloride BP 850mg

	Samprid Tablet	Gliclazide BP 80mg
ANXIOLYTIC	Slona 0.5 Tablet	Clonazepam USP 0.5mg
	Slona 2 Tablet	Clonazepam USP 2mg
ANTIDEPRESSANT	Flutracen Tablet	Flupenthixol INN 0.5mg & Melitracen INN 10mg
LIPID LOWERING AGENT	Sitova 10 Tablet	Atorvastatin Calcium Trihydrate INN 10mg.
	Sitova 20 Tablet	Atorvastatin Calcium Trihydrate INN 20mg.
ANTI PLATELE	Silclog Tablet	Clopidogrel INN 75 mg
ANTIASMATIC	DFN 400 Tablet	Doxofylline INN 400mg
	Moneka-5 Tablet	Montelukast Sodium INN 5mg.
	Moneka 10 Tablet	Montelukast Sodium INN 10mg.
	Salbusol-2 Tablet	Salbutamol Sulphate BP 2mg
	Salbusol Syrup	Salbutamol Sulphate BP 2mg/5ml
	Tifsi Tablet	KetotifenFumarate BP 1mg.
	Tifsi Syrup	KetotifenFumarate BP 1mg/5ml
ANTIHISTAMIN	Antismyn Syrup	Chlorpheniramine Maleate BP 2mg/5ml
	Deslosil Tablet	Desloratadine INN 5mg
	Fexsil 120 Tablet	Fexofenadine Hydrochloride USP 120mg
	Fexsil 180 Tablet	Fexofenadine Hydrochloride USP 180mg
	Fexsil Suspension	Fexofenadine Hydrochloride USP 30mg/5ml
	Silatrol Tablet	Cetirizine Dihydrochloride BP 10mg
COUGH EXPECORANT	Ambrosia Syrup	AmbroxolHydrochloride BP 15mg/5ml
ANALGESIC & ANTIPYRETIC	Silpol Tablet	Metronidazole BP 400mg
	Silpol Suspension	Paracetamol BP 120mg/5ml
NON-STEROISAL ANTI-INFLAMMATORY DRUGS	KTM-10 Tablet	Ketorolac Tromethamine BP 10mg.
	Naxsil E 500 Tablet	Naproxen Sodium USP 500mg
	Silfenac Tablet	Aceclofenac BP 100mg
NSAIS & ANTIULCER AGENT	Naxsil E 375 Tablet	Naproxen Sodium USP 375mg+ Esomeprazole USP 20mg
	Naxsil E 500 Tablet	Naproxen Sodium USP 500mg + Esomeprazole 20mg
ALPHA-ADRENERGIC BLOCKER	Taspia Capsule	Tamsulosin Hydrochloride INN 0.4mg.
CALCIUM & COMBINATIONS	Silcal-500 Tablet	Calcium Carbonate USP 500mg
	Silcal -O 400 Tablet	Calcium Orotate 400mg
	Silcal -O 740 Tablet	Calcium Orotate 740mg
	Silcal-D Tablet	Calcium Carbonate USP 500mg + Vit. D3 USP 200 I.U
HAEMATINIC, VITAMINS & MINERALS	Neurogin Tablet (Pot)	Vitamin (B1 100mg+B6 200mg+B12 0.2mg)
	Neurogin Tablet (Strip)	Vitamin (B1 100mg+B6 200mg+B12 0.2mg)
	MV-COD Syrup	Multivitamin with Cod liver oil
	Seofol Plus Capsule	Ferrous Sulphate BP 150mg + Folic Acid Pellets BP 0.5mg
	Viton Syrup 100ml	Vitamin B Complex
	Viton Syrup 200ml	Vitamin B Complex
	Viton-B Tablet	Vitamin B Complex, Sugar Free
	Viton-EC Tablet	Vitamin A,C & E (Beta Carotene) USP 6mg+ Vitamin C BP 500mg + Vitamin E BP 50mg.
	Viton-M Tablet	Multivitamin with Multiminerals
	Viton-Z Tablet	Vitamin B Complex +Zinc

	Viton-Z Syrup	Vitamin B Complex +Zinc 100ml.
	Zinc-Ag Syrup	Zinc Sulphate Monohydrate USP 20mg/5ml.
	ZFC Capsule	Zinc Sulphate BP 81.80mg + Folic Acid BP 0.50mg + Carbonyl Iron Ph. grade INN 51mg.
ANALGESICS, ANTICONVUSANTS	Rebalin 75 Capsule	Pregabalin INN 75mg
ANTIEMETIC	Neocliz Tablet	Meclizine Hydrochloride USP 25mg. + Pyridoxine. HCL BP 50mg
ANTHELMINTIC	Silben Tablet	Albendazole BP 400mg
LAXATIVE	Polylac Syrup	Lactulose 3.35gm/5ml
ORAL REHYDRATION SALINE	SRS-Saline	NACL+KCL+C6H12O6+Na3C6H5O7.2H2O

Veterinary Products:

VITAMINS & MINERALS (DAIRY & POULTRY)	Adzinc (100ml)	Zinc Sulphate Monohydrate equivalent to 200mg elemental zinc.
	Adzinc (500ml)	Zinc Sulphate Monohydrate equivalent to 200mg elemental zinc.
	Adzinc (1 Lit)	Zinc Sulphate Monohydrate equivalent to 200mg elemental zinc.
	Adzinc B (100 ml)	Zinc Sulphate Monohydrate , Vitamin B6 , Vitamin B12, Biotin.
	Advit CP (500ml)	Calcium, Magnesium , Phosphorus, Vitamin B12, Vitamin B3, Choline.
	Advit CP (1 Lit)	Calcium, Magnesium, Phosphorus, Vitamin B12, Vitamin B3, Choline.
	Advit CP Plus (20 × 2) Advit D Plus (100ml) Utrosol (500 ml)	Calcium, Phosphorus, Vitamins. Vitamin D, Propylene Glycol Q.S. 2. Nigella sativa, Plumbago aeylanica, Anethum sowa, Abroma augusta, Daucus carota, Trachyspermum ammi, Crotalaria juncea, Gloriosa superba, Aristolochia indica, Gossypium herbaceum, Citrullud Colocynthis, Aspara gus racemosus, Leptadenia reticulata, Preservative.
	Advit E-Sel (100 ml)	Sodium Selenite , Vitamin E .
	Cough Off (100ml)	Alkalizer, Urinay acidifier, Buffers, Amino Nitrogen.
	Cough Off (500ml)	Alkalizer, Urinay acidifier, Buffers, Amino Nitrogen.
	AbC Solution (100 ml)	Vitamin A, Vitamin D3, Vitamin E, Vitamin K3, Vitamin B1, Vitamin B2, Vitamin B6, Vitamin C, Amino Acid.
	AbC Solution (500 ml)	Vitamin A, Vitamin D3, Vitamin E, Vitamin K3, Vitamin B1, Vitamin B2, Vitamin B6, Vitamin C, Amino Acid.
	Liver On (100 ml)	Vitamin B1, Vitamin B2, Vitamin B6, Vitamin B12,
	Liver On (500 ml)	Vitamin B1, Vitamin B2, Vitamin B6, Vitamin B12, Calcium Patothenate, Nicotinamide, Inositol , Choline Chloride, Folic Acid, DL Methionine, L.Lysine.
	Oramin Solution (100 ml)	Copper, Cobalt, Iron, Magnesium, Manganese, Zinc, Phosphorus, Sodium, Sodium Selenite.
	APPETIZER (DAIRY)	Advomica (10 × 20 gm)
Adbovi Powder (125 gm)		Calcium propionate, Methionine, Zensian, Cobalt Gluco nate , Vitamin B6, Silicon Dioxide, Dexterous anhydrous Q.S. 2.
ANTHELMINTIC	Adrizol (10 × 2)	Albendazole BP 600 mg.

IPO Proceeds and other information

IPO Proceeds

The Silco Pharmaceuticals Limited accorded the consent from Bangladesh Securities and Exchange Commission (BSEC) on 07 February 2019. We have raised Tk. 300,000,000.00 through IPO in the year 2019 and have been starting utilization of IPO proceeds in the financial year 2019 and completed in the year of 2020. The break-up of total IPO proceeds are as follows:

Sl	Particulars	Amount in TK.
1	Construction of new factory building in the existing vacant area	144,655,552.00
2	Import of new Machinery	97,356,000.00
3	Purchase of Delivery Van	36,310,000.00
4	IPO Related Expenses	21,678,448.00
	Total	300,000,000

The status of IPO utilization as on June 30, 2019 is given below:

The company raised Tk. 300,000,000 divided into 30,000,000 ordinary share of Tk. 10 each through on April 10, 2019. The company utilized Tk. 2,13,63,602/- (IPO Expenses) only in total up to June 30, 2019 which was certified by independent auditor, SHIRAZ KHAN BASAK & CO. Chartered Accountants.

Significant variance of financial statements

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2019.

Reporting and Compliance of Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD /2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

Board Size

The number of members of the Board of Directors stands at 11 (including Three Independent Director's) which are within the limits given by the BSEC Notification.

Company Secretary, Chief Financial Officer, Head of Internal Audit

As per corporate governance code of BSEC, the company has allocated the responsibilities of the officials as follows:

Company Secretary	: Mr. Tingku Ranjan Sarker
Chief Financial Officer	: Md. Monjur Alam
Head of Internal Audit	: Md. Saifur Rhaman

Maintaining a website

The company has been maintaining an official website www.silcopharma.com which is linked with the website of the stock exchange.

Subsidiary Company

The company has no subsidiary company.

Duties of Managing Director

The provision of BSEC regulations has been compiled in the annual report

Appointment of Auditor:

The auditor ATA KHAN & Co. Chartered Accountants will retire at the conclusion of ensuing 24th Annual General Meeting as per Bangladesh Securities & Exchange Commission. We have received an offer from Ashraf Uddin & Co. Chartered Accountants for appointment as statutory auditor of the company for the year 2019-2020. The Board of Directors & Audit committee reviewed the offer letter of Ashraf Uddin & Co. Chartered Accountants regarding appointment as statutory auditor and the Board recommended the proposal for appointment of Ashraf Uddin & Co. Chartered Accountants as statutory auditor for the year 2019-2020 subject to the approval of shareholders in 24th Annual General Meeting of the company.

Appointment of Professional Firm for the certificate on compliance with the Corporate Governance Code of BSEC:

MZ Islam & Co., Chartered Accountants, expressed their interest for re-appointment as auditor for the year 2019-2020. The Board recommended the proposal for re-appointment of MZ Islam & Co., Chartered Accountants, as the auditor of the Company for the year 2019-2020 subject to the approval of shareholders in 24th Annual General Meeting of the company.

Financial Highlights

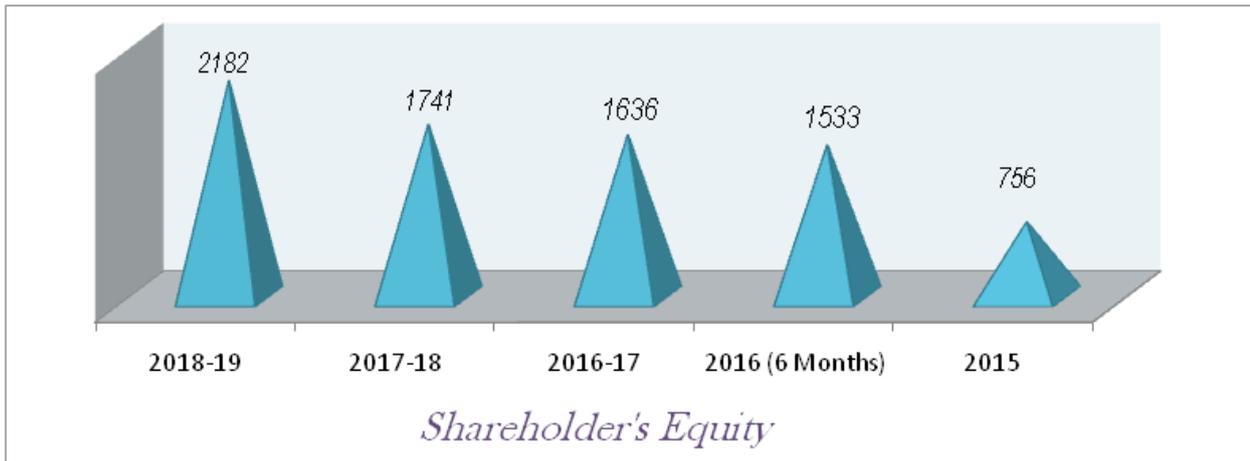
Operational Result	Amount in Taka				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (06 months)	31 Dec 2015
Turnover	919,041,362	917,775,216	906,528,993	438,643,061	851,159,117
Gross Profit	279,728,868	295,232,446	290,918,804	156,054,907	309,293,054
Profit from Operation	148,556,204	171,021,813	169,054,883	97,127,487	191,904,963
Net Profit before tax	141,797,517	162,098,798	158,351,004	91,996,678	180,114,491
Net Profit after Tax	162,484,445	105,364,219	102,928,153	59,797,841	117,074,419
Net Operating Cash Flow per Share	1.14	1.34	3.35	2.08	1.19

Financial Position	Amount in Taka				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (06 months)	31 Dec 2015
Non-Current Assets	1,242,539,972	1,249,517,443	1,255,558,189	1,141,233,305	1,067,279,694
Current Assets	1,325,733,939	896,796,670	734,595,336	696,120,532	591,507,118
Shareholder's Equity	2,182,197,715	1,741,076,872	1,635,712,653	1,532,784,501	755,912,241
Current Liability	238,628,946	208,760,168	171,889,000	139,327,258	153,262,689
Non-Current Liability	147,447,251	196,477,075	182,551,872	165,242,077	749,611,882

Financial Ratio	Amount in Taka				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016 (06 months)	31 Dec 2015
Current Ratio	5.56	4.30	4.27	5.00	5.40
Quick Ratio	3.32	1.94	1.78	2.03	2.29
Debt to Equity Ratio	-	-	0.0045	0.01	0.01
Net Income Ratio (%)	17.68%	11.48%	11.35%	13.63%	13.75%
Return on Equity (%)	8.28%	3.12%	6.50%	3.98%	10.51%
Earnings Per Share	2.28	1.64	1.60	0.93	1.82

Financial Highlights in the form of Graphical Representation

Amount in Million



Board Meeting and Attendance

During the year, 6 (Six) nos. of Board Meetings were held. The attendance record of the directors is as given below:

Name	Designation	Attendance
Mrs. Naim Fatema	Chairman	6
Dr. MD. Badrul Haque Rukan	Managing Director	6
Dr. Md. Azizur Rahman	Director	4
Dr. Shahana Ferdous Chowdhury	Director	5
Dr. Gulshan-E-Jahan	Director	6
Dr. Md. Harunur Rashid	Director	6
Dr. Mahmudul Majid	Director	5
Prof. Dr. Faisal Ahmed	Director	4
Prof. Dr. Md. Abul Ahabub	Independent Director	6
Prof. Dr. Rezaul Karim	Independent Director	5
Dr. Iqbal Hossain Chowdhury	Independent Director	5

Directors' Appointment, Re-Appointment and Retirement

With regard to the appointment, retirement and re appointment of directors the company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly the following director of the board will retire at the 24th Annual General Meeting.

Dr. Shahana Ferdous Chowdhury will retire from director at 24th Annual General Meeting.

Shareholding pattern

The shareholding of directors at the end of 30 June, 2019 is shown as bellow:

Sl/No	Name of Shareholder	Position	Number of Shares	%
a) Parent or Subsidiary or Associated Companies and other related parties;			Nil	
b) Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;				
1	Mrs. Naim Fatema	Chairman	5,410,000	5.7328%
2	Dr. MD. Badrul Haque Rukan	Managing Director	12,664,130	13.4197%
3	Dr. Md. Azizur Rahman	Director	3,015,870	3.1958%
4	Dr. Shahana Ferdous Chowdhury	Director	3,330,000	3.5287%
5	Dr. Gulshan-E-Jahan	Director	3,160,000	3.3485%
6	Dr. Md. Harunur Rashid	Director	3,180,000	3.3697%
7	Dr. Mahmudul Majid Chowdhury	Director	2,950,000	3.1260%
8	Prof. Dr. Faisal Ahmed	Director	2,906,700	3.0801%
9	Prof. Dr. Md Abul Ahabab	Independent Director	100,000	0.1060%
10	Prof. Dr. Rezaul Karim	Independent Director	200,000	0.2119%
11	Dr Iqbal Hossain Chowdhury	Independent Director	-	-
12	Mr. Tingku Ranjan Sarker	CS	-	-
13	Md. Monjur Alam	CFO	-	-
14	Brig. Gen. (Retd.) Khademul Insan Md. Iqbal	Head of HRD	100,000	0.1060%

C) Executive (Top five salaried employees)				
10	Md. Nurul Islam	General Manager (Sales & Marketing)	-	-
11	Mr. Bikash Biswas	Plant Manager	-	-
12	Md. Saifuzzaman Chowdhury	Manager (Admin & Commercial)	-	-
13	Mr. Tanvir Alam	Asst. Production Manager	-	-
14	Mr. Arpon Talukder	Asst. Incharge (Store & VAT)	-	-
d) Shareholders holding 10% or more voting interest in the company				
15	Dr Md Badrul Haque Rukan	Managing Director	12,664,130	13.4197%

Directors involved in other Companies

SL	Name	Designation in SPL	Directorship/Ownership with Other Companies	
			Companies	Position
1	Mrs. Naim Fatema	Chairman	North East Medical College & Hospital	Director
2	Dr. MD. Badrul Haque Rukan	Managing Director	Park View Medical College & Hospital	Director
3	Dr. Md. Azizur Rahman	Director	Al-Amin Dental College	Director
4	Dr. Shahana Ferdous Chowdhury	Director	United Poly Clinic	Director
5	Dr. Gulshan-E-Jahan	Director	North East Medical College & Hospital	Director
6	Dr. Md. Harunur Rashid	Director	North East Medical College & Hospital	Director
7	Dr. Mahmudul Majid Chowdhury	Director	Sylhet Women's Medical College	Director
8	Prof. Dr. Faisal Ahmed	Director	Sylhet Women's Medical College	Director
9	Prof. Dr. Md. Abul Ahbab	Independent Director	Mount Adora Hospital	Chairman
10	Prof. Dr. Rezaul Karim	Independent Director	Sylhet Women's Medical College	Director
11	Dr. Iqbal Hossain Chowdhury	Independent Director	North East Medical College & Hospital	Director

Audit Committee Report

The Audit Committee, as a sub-committee of the Board has been constituted with 1 (one) Independent Director as Chairman and 2 (two) other Directors as members. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board of the company in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

Silco Pharmaceuticals Limited established an audit committee as a sub-committee of the Board of Directors. The committee supports the Board in fulfilling its oversight responsibilities.

The audit committee of Silco Pharmaceuticals Limited of the following Board members:

Prof. Dr Md Abul Ahbab (Independent Director)	: Chairman
Prof. Dr Md Harunur Rashid (Director)	: Member
Dr Md Azizur Rahman (Director)	: Member
Mr. Tingku Ranjan Sarker (Company Secretary)	: Secretary of the Committee

Meeting and Attendance

During 2018-2019, under review the Audit Committee of Silco Pharmaceuticals Limited met 5 (five) times.

Audit Meeting Attended by Members

Name	Position	Meeting Attended
Prof. Dr Md Abul Ahabab	Chairman	5
Prof. Dr Md Harunur Rashid	Member	5
Dr. Md Azizur Rahman	Member	5
Mr. Tingku Ranjan Sarker	Secretary of the Committee	5

The Role and Responsibilities of the Audit Committee

The Role and Responsibilities of the Audit committee are clearly mentioned in the Compliance of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 condition no 5.5.

The key responsibilities of the Audit committee are as follows.

- (a) Oversee the financial reporting process;
- (b) monitor choice of accounting policies and principles;
- (c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- (d) oversee hiring and performance of external auditors;
- (e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- (f) review along with the management, the annual financial statements before submission to the Board for approval;
- (g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- (h) review the adequacy of internal audit function;
- (i) review the Management's Discussion and Analysis before disclosing in the Annual Report;
- (j) review statement of all related party transactions submitted by the management;
- (k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- (l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
- (m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds 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: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.

The Committee during the period under report met five times and its activities includes the followings:

- The financial statements of the quarterly, half yearly and the full year were reviewed by the committee and subsequently recommended to the Board for adoption consideration and circulation as per the requirement of Bangladesh Securities & Exchange Commission.

- The committee also reviewed the audited financial statements of the Company for the year ended June 30, 2019 this reviews incorporated the accounting policies and key judgments and estimates underpinning financial statements as disclosed in Notes to the Accounts.
- The committee also reviewed the work of the internal audit department and made suggestions for improvement.
- The committee reviewed the compliance with existing laws and regulation.
- Approved the internal audit plan.
- Reviewed the effectiveness and independence of the Statuary auditors and recommended re-appointment of external auditors.

Sd/-

Prof. Dr Md Abul Ahab

Chairman

Audit Committee

Nomination and Remuneration Committee (NRC) Report

The Nomination and Remuneration Committee (NRC), as a sub-committee of the Board of Director has been constituted with 3 (three) board of directors including 1 (one) Independent director as a chairman. The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. Since the corporate governance code has been adopted on 03 June, 2018, we have been taking necessary steps to comply with. The Terms of Reference (ToR) of the NRC is clearly set forth in writing covering the areas stated as Corporate Governance Code at the condition No.6(5)(b).

Constitution of the NRC:

The NRC committee has been constituted as per Corporate Governance Code 6 (2)(3) as follows:

Name	Position
Prof. Dr. Md. Rezaul Karim	Chairman
Prof. Dr. Md. Faisal Ahmed	Member
Dr. Mahmudul Majid Chowdhury	Member
Mr. Tingku Ranjan Sarker	Secretary to the committee

Role of the NRC:

As per Corporate Governance Code 6(5) the role of the NRC

- NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- NRC shall oversee, among others, the following matters and make report with recommendation to the Board.
 - formulating the criteria for determining qualifications positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

- ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- iv) formulating the criteria for evaluation of performance of independent directors and the Board;
- v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- vi) developing, recommending and reviewing annually the company's human resources and training policies

Objectives of NRC

The objectives of the NRC are as follows:

- I) To ensure the remuneration of the top-level management if satisfied with their activities.
- II) The directors and top-level management working activities evaluation, accountability and reporting efficiency impact on economic decision of the company.

Appointment and removal of Director, Top Level Executives and Senior Management

- I) The committee identifies the qualification, efficiency, experience and expertise who appointed as director, top level management and senior management.
- II) The committee shall evaluate of his experience and expertise for the position.
- III) The Committee shall also exercise the appropriate experience and educational qualification for the said position.

Meeting of NRC

During the reporting period the NRC arranged 01 (One) meeting and observed, discussed and advice on the following issues:

- Reviewed and approved the Code of Conduct to members of the Board and key management personnel or top-level executives which was adopted by the Board;
- Reviewed the human resources principles of the Company including recruitment, performance evaluation across all levels of members and skill value proposition of the Company.
- Reviewed the appointment and removal of Director, Independent Directors and their remuneration.

Sd/-

Prof. Dr. Md. Rezaul Karim

Chairman

Nomination and Remuneration Committee (NRC)











CEO & CFO'S DECLARATION

Board of Directors
 Silco Pharmaceuticals Limited.
 41, Nurani, Bankalapara, Subid Bazar, Sylhet-3100

Subject: Declaration on Financial Statement for the year ended on 30 June 2019

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/2017/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Silco Pharmaceuticals Limited for the year ended on 30 June 2019 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 30 June 2019 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. Md. Badrul Haque Rukan
 Managing Director

Sd/-

Md. Monjur Alam
 Chief Financial Officer (CFO)



এম, জেড, ইসলাম এন্ড কোং
M. Z. ISLAM & CO.
Chartered accountants

10 (4-10) Eastern View (10th Floor)
50 D.I.T. Extension Road, Nayapalton
Dhaka-1000, Tel : 880-2-9350992, 9330365
E-mail : mzislam.co@gmail.com, afakrul@yahoo.com

Report to the Shareholders of Silco Pharmaceuticals Ltd.
on
Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Silco Pharmaceuticals Ltd. for the year ended on 30 June 2019. This Code relates to the Notification No. Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

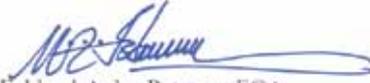
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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:

- 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.
- 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;
- 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
- The Governance of the company is satisfactory.

Dated: 25 November, 2019
Place: Dhaka


Md. Fakhru Aalam Patwary FCA
Managing Partner
M.Z Islam & Co.
Chartered Accountants



Silco Pharmaceuticals Ltd.

Status of Compliance with the Corporate Governance code under condition no.09

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 is as follows:

(Report under Condition No.9)

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors.			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent Directors			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors;	✓		
1(2)(b)	For the purpose of this clause "independent director" means a director			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	who is 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 of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is 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)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;			No such event occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
1(3)(a)	Qualification of Independent Director Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)	Independent director shall have following qualifications:			
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 or a member of any national or international chamber of commerce or business association; or			
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts 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;	✓		
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, who has at least educational background of bachelor degree in economics or commerce or business or Law;			
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			
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 Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant 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.			No such issue arose

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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 Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (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)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such issue arose
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such issue arose
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any 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)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			No such matter to explain
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			The BOD declared dividend
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			No such matter to explain
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			No such matter to explain
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	a brief resume of the director;	✓		
1(5)(xxiv)(b)	nature of his or 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)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
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;	✓		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	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 shall be made applicable to the composition of the Board of the subsidiary 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 at the following Board meeting of the holding company;			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
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	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 Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and HIAC shall not attend such part of a meetings of the Board relating to their personal matter.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	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;	✓		
3(3)(b)	The 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	Board of Directors' Committee. For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The 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 and in ensuring a good monitoring system within the business;	✓		
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 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
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 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose
5(3)(c)	Chairperson 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:	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee The Audit Committee shall:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial 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 or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interest			No such incident arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			No such incident arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such incident arose
5(6)(b)	Reporting to the Authorities			
	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.			No such reportable incident arose
5(7)	Reporting to the Shareholders and General Investors			
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	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;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
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).	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
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;			No such incident arose
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 who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such incident arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
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.	✓		
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;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No such incident arose
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);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
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;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
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 objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or 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 systems 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the Appropriate Column)		Remarks (if any)
		Complied	Not Complied	
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or 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 they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance.			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis 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 annual general meeting.	✓		
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.	✓		

Sd/-

Managing Director

Silco Pharmaceuticals Limited



ATA KHAN & CO.
Chartered Accountants
A PARTNERSHIP FIRM
.....since 1959

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**Independent Auditors' Report
TO
THE SHAREHOLDERS OF SILCO PHARMACEUTICALS LIMITED**

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of **Silco Pharmaceuticals Limited** which comprise the statement of financial position as at 30 June 2019, the 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Silco Pharmaceuticals Limited as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key audit matters	How our audit addressed the audit matters
<p>Revenue</p> <p>The company has reported a revenue of Taka 919,041,362 for the year ended 30 June 2019.</p> <p>Refer to note no. 16.00 of the financial statements.</p> <p>All sales may not be legitimate and may not have occurred in the financial year</p>	<ul style="list-style-type: none"> • Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy disclosed in notes to the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards • Vouch entries in sales journal and subsidiary ledger to support documentation of sale (i.e. invoice and delivery note) • Control tests for relevant controls • Subsequent receipts review

Key audit matters	How our audit addressed the audit matters
<p>Revenue continued:</p> <p>Sales may not be complete and accounts receivable may not included all amounts owed by customers at the balance sheet date.</p> <p>Sales may not be correctly classified and major revenue categories may not be separately disclosed.</p> <p>Sales may not be recorded correctly and in the correct period.</p>	<ul style="list-style-type: none"> • Confirmation of specific transactions with customers • Furthermore, we tested the sales transaction recognised shortly before and after the statement of financial position date, including the sales return recorded after that date, to test whether sales transaction were recorded in the correct reporting periods • Cut-off test (tests of sales transactions, sales returns and other sales adjustments at or near year-end) • Verify prices, quantity and computation on sales invoices, prices verified to master price list. • Ensure related party sales are adequately disclosed. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Inventories</p> <p>As of the reporting date the company reports Stock and Stores amounting to Taka 426,025,690</p> <p>Refer to note no.5.00 to the Financial Statements</p> <p>The company may not have good title to stock and work in progress</p> <p>All stock and work in progress may not exists</p> <p>Stock and work in progress may not have been valued correctly, consistently and in accordance with applicable accounting standards. Which is net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>that full provision may not have been for all damaged, obsolete or slow moving stock and work in progress</p> <p>Cut-off procedure may not have been strictly applied.</p> <p>All necessary disclosures concerning stock and work-in-progress may not have been made and the information is may not yet have been appropriately presented and described.</p>	<ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse and sales depot; • Evaluating internal controls to monitor or keep track of inventory movement; • Enquire whether any of the stock is held on behalf of third parties. • Consider whether any consignment stock has been accounted for. • Complete the stock take attendance program Trace all items selected at the stock take to the final stock sheets, internal stock records. • Select a sample of items from the final stock sheets and trace to the copies of the rough stock sheets taken during the stock take. • Review the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. • Test the additions and extensions of the final stock sheet. • Ascertain the method used for valuing stock and consider whether: <ul style="list-style-type: none"> (a) it has been correctly applied; (b) it is an acceptable basis of valuation under applicable accounting standards; (c) it is consistent with previous year's and with the company's accounting policy. • Challenging the completeness of inventory provision through assessing actual and forecast sells inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete. • Review all items of stock and work inprogress and consider whether any furtherprovision is necessary.

Key audit matters	How our audit addressed the audit matters
<p>Measurement of deferred tax Liability</p> <p>Company reported net deferred tax liability totaling Taka 147,447,251 as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years .</p> <p>see note no.11.00 to the financial statements</p>	<p>we obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax liability and taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>we evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards ,recognition and measurement of deferred tax liability .</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>we also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management .finally assessed the appropriateness and presentation of disclosure against IAS -12 income Tax</p>

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Place : Dhaka
26 October 2019

Sd/-
ATA KHAN & CO.
Chartered Accountants

Silco Pharmaceuticals Limited

Statement of Financial Position

As at 30 June 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Assets			
Non Current Assets		1,242,539,972	1,249,517,443
Property, Plant and Equipment	3.00	1,122,804,679	1,175,166,949
Capital Work in Progress	4.00	119,735,293	74,350,494
Current Assets		1,325,733,939	896,796,670
Inventories	5.00	426,025,690	398,357,928
Trade Receivables	6.00	489,986,724	389,362,515
Advance, Deposits and Prepayments	7.00	108,002,166	93,413,781
Cash and Cash Equivalents	8.00	301,719,359	15,662,446
Total Assets		2,568,273,912	2,146,314,114
Shareholders Equity and Liabilities			
Shareholders Equity		2,182,197,715	1,741,076,872
Share Capital	9.00	943,700,000	643,700,000
Retained Earnings	10.00	1,238,497,715	1,097,376,872
Non-Current Liabilities		147,447,251	196,477,075
Deferred Tax Liability	11.00	147,447,251	196,477,075
Current Liabilities		238,628,946	208,760,168
Trade Payable	12.00	15,717,627	16,328,305
Payable to IPO Applicants		2,143,010	-
Creditors & Accruals	13.00	12,929,461	11,920,846
Liability for WPPF	14.00	7,089,876	8,104,940
Current Tax Liability	15.00	200,748,972	172,406,076
Total Shareholders Equity and Liabilities		2,568,273,912	2,146,314,114
Net Asset Value (NAV) per Share	23.00	23.12	27.05

The annexed notes form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Comapany Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Date: Dhaka
'26 October 2019

Sd/-
ATA KHAN & CO.
Chartered Accountants

Silco Pharmaceuticals Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		2018-2019	2017-2018
A. Turnover	16.00	919,041,362	917,775,216
B. Cost of Goods Sold	17.00	639,312,494	622,542,770
C. Gross Profit (A-B)		279,728,868	295,232,446
D. Operating Expenses	18.00	131,172,663	124,210,633
E. Profit from Operation (C-D)		148,556,204	171,021,813
F. Financial Expenses	19.00	690,254	1,139,143
G. Non-operation Income	20.00	1,021,443	321,068
H. Profit before Contribution to WPPF (E-F+G)		148,887,393	170,203,738
I. Workers' Profit Participation/Welfare Fund (WPPF)		7,089,876	8,104,940
J. Profit before Income Tax (H-I)		141,797,517	162,098,798
K. Provision for Income Tax	21.00	(20,686,928)	56,734,579
Current Tax		28,342,896	41,504,545
Deferred Tax Expense/(Income)		(49,029,824)	15,230,034
L. Net Profit after Tax (J-K)		162,484,445	105,364,219
Earnings per Share (EPS)	22.00	2.28	1.64

The annexed notes form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Comapany Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Date: Dhaka
'26 October 2019

Sd/-
ATA KHAN & CO.
Chartered Accountants

Silco Pharmaceuticals Limited
Statement of Changes in Equity
For the year ended 30 June 2019

(Amount in Taka)

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as at July 01, 2018	643,700,000	1,097,376,872	1,741,076,872
New Share Issued Through IPO	300,000,000	-	300,000,000
Net Profit/(Loss) during the year	-	162,484,445	162,484,445
IPO Expenses		(21,363,602)	(21,363,602)
Balance as on June 30, 2019	943,700,000	1,238,497,715	2,182,197,715

Statement of Changes in Equity
For the year ended 30 June 2018

(Amount in Taka)

Particulars	Ordinary Share Capital	Retained Earnings	Total
Balance as at July 01, 2017	643,700,000	992,012,653	1,635,712,653
Net Profit/(Loss) during the year	-	105,364,219	105,364,219
Balance as on June 30, 2018	643,700,000	1,097,376,872	1,741,076,872

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Date: Dhaka
26 October 2019

Silco Pharmaceuticals Limited
Statement of Financial Position
As at 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
A. Cash Flows from Operating Activities		
Cash received from Customers	818,417,153	817,114,108
Cash received from Non-operating income	1,021,443	321,068
Cash Paid to Suppliers	(510,491,954)	(547,107,125)
Cash Paid to Employees	(98,010,122)	(110,442,791)
Cash Paid to Others	(128,815,038)	(72,298,711)
Income Tax Paid	(1,354,015)	(1,093,477)
Net cash flows from operating activities	80,767,467	86,493,071
B. Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	(2,590,753)	(19,322,250)
Cash Payments for Capital Work-in-Progress	(72,899,210)	(61,856,949)
Net cash flows from investing activities	(75,489,963)	(81,179,199)
C. Cash Flows from Financing Activities		
Net Received/(Payment) in Long Term Loan	-	(7,326,431)
IPO Expenses	(21,363,602)	-
Issuance of Share Capital	300,000,000	-
Proceeds from IPO Applicants	2,143,010	-
Net Cash flows from financing activities	280,779,408	(7,326,431)
D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	286,056,913	(2,012,559)
E. Cash and Cash Equivalents at the beginning of the year	15,662,446	17,675,005
F. Cash and Cash Equivalents at the end of the year (D+E)	301,719,359	15,662,446
Net Operating Cash Flows Per Share (NOCFPS)	24.00	1.14
		1.34

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Date: Dhaka
'26 October 2019

Silco Pharmaceuticals Limited
Notes to the financial statements
As at and for the year ended 30 June 2019

1.00 The Company and its operations

1.01 Legal form of the Company

The Company was incorporated in Bangladesh as Public Limited Company on January 25, 1995 as Company limited by Shares under the Companies Act 1994 vide registration no. C-27781(1627)/95. The principal activities of the Company are manufacturing drugs and medicines of all kinds. The Company obtained Certificate of Commencement of business at the same date of incorporation but the Company received its drug manufacturing license on 29 October, 2003 and the commercial operation started on 30 October, 2003.

1.02 Address of the Registered Office

The registered office of the company is located at 41, Nurani, Bankalpara, Subid Bazar, Sylhet-3100, Bangladesh.

1.03 Nature of Business activities

Silco Pharmaceuticals limited has engaged in manufacturing and marketing of pharmaceuticals finished product in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Antipyretics, Anti Inflammatory Drugs, Anti ulcerants, Multi medicines which are sold in local market.

1.04 Capital Structure of the Company

Silco Pharmaceuticals Limited is a public limited company formed by local owner. The details of the capital structure are given below:

Particulars	Taka
Authorized Capital	
105,000,000 ordinary shares of Taka 10/= each.	1,050,000,000
Issued, subscribed, called-up and paid-up capital	
94,370,000 ordinary shares of Tk. 10/= each fully paid-up	943,700,000

1.05 Production Unit

The production unit of the company is situated at BSCIC industrial Estate, Khadimnagar, Sylhet 3103, Bangladesh.

2.00 Summary of significant accounting policies as per rules

2.01 Basis of preparation and presentation of the financial statements

The financial statements have been prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), 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 IAS-1 "Presentation of Financial Statements".

2.01.1 Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. For this 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 its existing business.

2.02 Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984;
The Income Tax Rules 1984;
The Value Added Tax Act 1991;
The Value Added Tax Rules 1991;
The Customs Act, 1969;
Bangladesh Labour Act 2006 (Amendment-2013);
The Securities and Exchange Ordinance, 1969; and
The Securities and Exchange Rules, 1987;

2.03 Accounting convention and assumption

The financial statements are prepared under the historical cost convention.

2.04 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 IAS-1 "Presentation of Financial Statements" in preparation and presentation of the financial statements. Financial Statements have been prepared and presented in compliance with applicable IAS and IFRS.

2.05 Application of Standards (IAS's)

The following IAS's and IFRS's are applicable for preparation of financial statements for the year ended 30 June 2019.

IASs:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings per Share (EPS)
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent liabilities and Contingent Assets
IAS 39	Financial Instruments: Recognition and Measurement

IFRSs:

IFRS 1	International Financial Reporting Standards
IFRS 7	Financial Instrument: Disclosures
IFRS 9	Financial Instrument
IFRS 15	Revenue from Contracts with Customers

2.06 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.

2.07 Re-arrangement

Figures for the comparative year have been re-arranged wherever consider necessary to ensure better comparability with the current year presentation as per IAS-8 "Accounting policies, changes in Accounting estimates and Errors"

2.08 Components of the Financial Statements

According to the IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as at June 30, 2019;
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2019;
- iii) Statement of Changes in Equity for the year ended June 30, 2019;
- iv) Statement of Cash Flows for the year ended June 30, 2019; and
- v) Notes, comprising a summary of significant accounting policy and other explanatory information for the year ended June 30, 2019.

2.09 Property, Plant and Equipment (PPE)

i) Recognition and Measurement

In compliance with the IAS 16 "Property, Plant and Equipment" items of Property, Plant & Equipment (PPE) excluding Land and Land Development are initially measured at cost less accumulated depreciation, if any. Land and Land Development are 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 Cost

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.

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

Category of Fixed Assets	As at 30 June, 2019	As at 30 June, 2018
Land and Land Development	-	-
Building	2.50%	2.50%
Plant & Machinery	10%	10%
Electrical Equipment	10%	10%
Electrical Installation	10%	10%
Furniture & Fixture	10%	10%
Office Equipment	10%	10%
Computer	20%	20%
Transformer	10%	10%
Vehicles	10%	10%
Air Condition Installation	20%	20%
Fire Extinguisher	20%	20%

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.

2.10 Valuation of stocks

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 and 25 of IAS 2.

Category of Stocks	Basis of Valuation
Raw & packing materials including Work in Process	Moving average (Weighted) Cost
Finished Goods at Factory	At lower of cost or net estimated Realizable value
Stores Items	At cost
Materials in-transit	Book value i.e. cost so far incurred

Cost comprises the value of materials and all other distributable direct labor & Production overheads.

2.11 Trade Receivable

Trade Receivable is carried at net sales value by making no provision for doubtful debts, based on the risk from time to time. But in case of any debts made with any dissolved business house, the amount is fixed and charged with profit and loss account.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks, term deposits, etc which are available for use by the company without any restrictions. There is an insignificant risk of change in value of the same.

2.13 Creditors and accrued expenses

i) Trade payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

ii) Provision

The preparation of financial statements in conformity with International Accounting Standard IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" requires management to make estimates and Assumption that affect the reported amounts of revenues and expenses, assets and liabilities, and the Disclosure requirements for contingent assets and liabilities during and at the date of the financial statements.

In accordance with the guidelines as prescribed by IAS-37 provisions were recognized in the following situations when:

- The Company has a present obligation as a result of past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- When reliable estimates can be made of the amount of the obligation.

We have shown the provisions of the Financial Position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the date of statement of financial position.

2.14 Employee benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

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

The cost of employee benefits is charged as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

(a) Short-term employee benefits

Short-term employee benefits include salaries, bonuses, house rent, medical fees etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Contribution to Workers' Profit Participation/ Welfare Funds

The company provisions 5% of its net profit before tax to its Workers' Profit Participation Fund (WPPF) in accordance with Bangladesh Labour Act 2006 (Amendment-2013). The Company has registered the WPPF Trust deed and disbursed the provisioned amount accordingly.

2.15 Income Tax

i) Current Tax

Provision for taxation has been made as per rates prescribed in Finance Act 2019 and the Income Tax Ordinance, 1984 on the profit made by the company.

Tax benefit on IPO expenses and rebate on tax amount will be taken into consider after finalization of tax assessment.

ii) Deferred Tax

The company has recognized deferred tax in compliance with the provision of IAS-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. The rate prevailing at the Financial Position date is used for determine the deferred tax.

2.16 VAT

Company Produces both Vatable and Non-Vatable Product. The company paid VAT only on vatable items and enjoying exemption for non vatable items as per S.R.O No. 224-AIN/2017/774-VAT, dated: July 01, 2017.

2.17 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 IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" should not be recognized in the year in which the recognition criteria of provision have been made.

2.18 Revenue recognition

In compliance with the requirements of IFRS 15 Revenue from Contracts with Customers, an entity recognizes revenue by applying the following five steps:

- Identify the contact with the customer
- Identify the performance obligations in the contact
- Determine the transaction price
- Allocate the transaction price
- Recognize revenue when (or as) a performance obligation is satisfied.

2.19 Borrowing costs

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

2.20 Repairs, upkeep and maintenance charges

These are usually charged out as revenue expenditure in the year in which it is incurred.

2.21 Related party disclosure

The company in normal course of business carried out a number of transactions with related parties that fall within the definition of related party as prescribed by IAS-24 "Related Party Disclosures". This has been disclosed in a separate note to the financial statements.

2.22 Earnings per Share (EPS)

This has been calculated in compliance with the requirements of IAS 33 Earnings per Share by dividing the basic earnings by the weighted average number of ordinary Shares outstanding during the year.

Basic Earnings

This represents earnings for the year attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

Income before tax is tk. 141,797,517 but income after tax became tk. 162,484,445 due to reduced deferred tax liability from tk. 196,477,075 as at 30 June, 2018 to tk. 147,447,251 as at 30 June, 2019. The company was listed with Dhaka Stock Exchange and Chittagong Stock Exchange as at April 25, 2019 and April 30, 2019 as a result the tax rate of the company was come from 35 % to 25 %, consequently the deferred tax liability needs to adjust from tk. 196,477,075 to tk. 147,447,251. Therefore, income after tax was increased by tk. 49,029,824 for deferred tax adjustment and net income increased by tk. 20,686,928.

Weighted Average Number of Ordinary Shares Outstanding During the Year

The basis of computation of number of shares is in line with the provision of IAS-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 proportion of total number of days in the year.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

2.23 Impairment of Assets

All fixed assets have been reviewed according to IAS-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.

2.24 Date of Authorization

The Board of Directors of Silco Pharmaceuticals Limited approved this Financial Statements on 26 October 2019.

2.25 Segment Reporting

As required by IFRS-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 carried out. The company considers the operation on aggregate basis and manages the operations as a single operating segment. Hence it is felt that such segment reporting is not required to be disclosed.

2.26 Statement of Cash flows

Statement of Cash Flows is prepared in accordance with IAS 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.

2.27 Reporting period:

The financial period of the Company covers 12 (Twelve) months from 1st July 2018 to 30th June 2019.

2.28 Events after the Reporting period

In compliance with the requirements of IAS 10 Events after the Reporting Period that provide additional information about the company's position at the date of the financial position are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when materials.

Management of the company has taken close look whether any events after the reporting period exist that need to take into account during the preparation of Financial Reports. No event after the reporting period exists and management of the company has prepared the financial reports in accordance.

2.29 Financial Risk Management Policies

The company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The company does not hold or issue derivative financial instruments for speculative or trading purposes.

Interest Rate Risk

The company has no significant risk of fluctuations in interest rates.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counter party to settle its financial and contractual obligations to the company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
3.00	Property, Plant and Equipment		
	Opening Balance	1,792,785,951	1,726,890,358
	Add: Addition during the year	30,105,164	65,895,593
	Total Cost (a)	1,822,891,115	1,792,785,951
	Opening Balance	617,619,002	530,399,057
	Add: Depreciation Charged for the year	82,467,434	87,219,945
	Total Accumulated Depreciation (b)	700,086,436	617,619,002
	Written Down Value as at 30 June 2019 (a-b)	1,122,804,679	1,175,166,949
	The details of above has been shown in Annexure- 'A'		
4.00	Capital Work in Progress		
	Construction of Building		
	Opening Balance	74,350,494	59,066,888
	Add: Addition during the year	72,899,210	61,856,949
	Total:	147,249,704	120,923,837
	Less: Transfer to fixed assets during the year	27,514,411	46,573,343
		119,735,293	74,350,494
5.00	Inventories		
	Raw Materials (Note-17.01)	190,921,454	163,829,128
	Packaging Materials (Note-17.02)	13,798,229	12,730,323
	Work in Process (Note-17.00)	18,008,086	17,570,579
	Finished Goods (Note-17.00)	199,193,684	200,618,072
	Store Items (Note-17.03.01)	4,104,237	3,609,826
		426,025,690	398,357,928
6.00	Trade Receivable		
	Trade Receivable from Customers	489,986,724	389,362,515
		489,986,724	389,362,515
	Ageing of Accounts Receivable		
	More than six months	37,764,047	-
	Less than six months	452,222,677	389,362,515
		489,986,724	389,362,515

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

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	489,986,724	389,362,515
iii. Receivables considered doubtful or bad	-	-
iv. Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member	-	-
v. Receivables due from companies under same management	-	-
vi. The maximum amount of receivable due by any director or other officer of the company	-	-

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
7.00	Advance, Deposit & Prepayments		
	Advances (Note-7.01)	106,214,798	91,626,413
	Deposits (Note-7.02)	1,576,827	1,576,827
	Prepayments (Note-7.03)	210,541	210,541
		108,002,166	93,413,781
7.01	Advances		
	Advance to Employee	16,227,360	15,832,090
	Advance to Supplier	29,665,952	18,790,323
	Advance Income Tax (Note-7.01.01)	35,609,990	34,255,975
	L/C Margin	22,038,345	20,392,506
	VAT Current A/C.	1,640,667	1,402,692
	Others	1,032,483	952,827
		106,214,798	91,626,413
07.01.01	Advance Income Tax		
	Opening Balance	34,255,975	33,162,498
	AIT Paid during the year	1,354,015	1,093,477
		35,609,990	34,255,975
7.02	Security Deposit		
	Electricity (Power Development Board)	317,400	317,400
	Gas (Jalalabad Gas Distribution Company Ltd.)	1,259,427	1,259,427
		1,576,827	1,576,827
7.03	Prepayments		
	Office Rent	210,541	210,541
		210,541	210,541
8.00	Cash and Cash Equivalent		
	Cash in hand	3,892,684	3,150,257
	Cash at Bank (Note- 8.01)	297,826,675	12,512,189
		301,719,359	15,662,446
8.01	Cash at Bank	297,826,675	12,512,189
8.01.01	Cash at Bank:		
	City Bank Ltd., CD-402434003001	-	193
	Pubali Bank Ltd., A/C No. C/D-28369010177223	1,142,611	177,020
	AB Bank Ltd., A/C No. C/D-4111-043420-000	36,831	40,136
	DBBL, A/C No. C/D-201.110.6703	351,910	31,112
	Pubali Bank Ltd., A/C No. C/D-3486901021357	2,059,359	887,883
	Prime Bank Ltd., A/C No. C/D-80025295/3115312009636	6,736,776	3,060,074
	Prime Bank Ltd., A/C No. C/D-60020426/3115111005507	5,880,576	8,273,828
	Standard Bank Ltd., A/C No. C/D-11033004387	106,400	41,943
	Total:	16,314,463	12,512,189
8.01.02	IPO Fund:		
	EBL_ Principal Branch _BDT_A/C_1011360531186	99,283,147	-
	EBL_ Principal Branch_USD_A/C_1013050531221	32,094,053	-
	EBL_ Principal Branch_EURO_A/C_1013070531196	15,001	-
	EBL_ Principal Branch_GBP_A/C_1013060531210	120,011	-
	Total:	131,512,212	-

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018

8.01.03 Fixed Deposit Receipts (FDR):

FDR-01 (EBL_Principal Branch_1015450545924)	50,000,000	-
FDR-02 (EBL_Principal Branch_1015450545914)	50,000,000	-
FDR-03 (EBL_Principal Branch_1015450545934)	50,000,000	-
Total:	150,000,000	-

9.00 Share Capital

9.01 Authorized Share Capital

105,000,000 ordinary shares of Tk. 10/= each.	1,050,000,000	1,050,000,000
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9.02 Issued, Subscribed and Paid-up Share Capital

64,370,000 ordinary shares of Tk. 10/= each fully paid-up	643,700,000	643,700,000
Add: Issued during the year 3,00,00,000 ordinary shares @ Tk. 10/- each through Initial Public Offering (IPO).	300,000,000	-
94,370,000 ordinary shares of Tk. 10/= each fully paid-up	943,700,000	643,700,000

The shareholding position at the end of the year as on 30 June, 2019 are shown below:

Category of Shareholders	No. of Ordinary Shares Held	Paid-up Capital (BDT)	Percentage (%) of Paid-up Capital	Percentage (%) of Paid-up Capital
Directors & sponsor's, promoters	36,916,700	369,167,000	39.119%	39.119%
Government	-	-	-	-
Institution	12,527,670	125,276,700	13.275%	13.275%
Foreign	29,176	291,760	0.031%	0.031%
General Public	44,896,454	448,964,540	47.575%	47.575%
Total	94,370,000	943,700,000	100%	100%

The range of shareholdings are shown below:

SL No	Shareholding Range	No. of Shareholders	No. Of Shares	Percentage
1	Upto 100 Shares	262	14,123	0.01%
2	From 101 to 500 Shares	11,017	5,344,829	5.66%
3	From 501 to 1,000 Shares	480	432,178	0.46%
4	From 1,001 to 10,000 Shares	1,845	10,069,510	10.67%
5	From 10,001 to 20,000 Shares	386	5,946,284	6.30%
6	From 20,001 to 50,000 Shares	152	4,892,215	5.18%
7	From 50,001 to 1,00,000 Shares	89	8,300,953	8.80%
8	From 100,001 to 10,00,000 Shares	35	8,019,908	8.50%
9	From 10,00,001 to 50,00,000 Shares	11	33,275,870	35.26%
10	From 50,00,001 to 1,00,00,000 Shares	1	5,410,000	5.73%
11	From 1,00,00,001 and above Shares	1	12,664,130	13.42%
	Total:	14,279	94,370,000	100.00%

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
10.00	Retained Earnings		
	Opening balance	1,097,376,872	992,012,653
	Add: Profit during the year	162,484,445	105,364,219
	Total:	1,259,861,317	1,097,376,872
	Less: IPO Expenses	(21,363,602)	-
	Closing Balance	1,238,497,715	1,097,376,872
11.00	Deferred Tax Liabilities		
	WDV as Accounting base	1,122,804,679	1,175,166,949
	WDV as per Tax base	533,015,674	613,803,878
	Temporary Difference	589,789,005	561,363,071
	Applicable Tax Rate	25.00%	35.00%
	Deferred Tax Closing Balance	147,447,251	196,477,075
12.00	Trade Payable		
	Trade Payable	15,717,627	16,328,305
		15,717,627	16,328,305
13.00	Creditors & Accruals		
	Electricity, Gas & Water Bills	753,554	736,036
	Salary & Wages	7,484,563	6,753,030
	Director Remuneration	45,000	45,000
	Sundry Creditors	4,301,343	4,126,780
	Audit Fees	345,000	260,000
		12,929,461	11,920,846
14.00	Liability for WPPF		
	Opening Balance	8,104,940	7,917,550
	Add: Addition during the year	7,089,876	8,104,940
		15,194,816	16,022,490
	Less: Paid during the year	8,104,940	7,917,550
		7,089,876	8,104,940
15.00	Current Tax Liability		
	Opening Balance	172,406,076	130,901,531
	Add: Charge for the year (Note-21.01)	28,342,896	41,504,545
		200,748,972	172,406,076
16.00	Turnover		
	Sales of finished goods	919,041,362	917,775,216
		919,041,362	917,775,216
17.00	Cost of Goods Sold		
	Raw materials (Note-17.01)	322,826,071	306,007,081
	Packaging materials consumed (Note-17.02)	140,644,405	137,377,364
	Total materials consumption	463,470,476	443,384,445
	Add: Work in process-Opening	17,570,579	18,267,899
	Less: Work in process-Closing	18,008,086	17,570,579
	Total consumption	463,032,968	444,081,765
	Add: Factory Overhead (Note-17.03)	181,883,962	182,230,671
	Cost of production	644,916,931	626,312,437
	Add: Finished goods-Opening	200,618,072	203,673,169
	Production available for Sales	845,535,003	829,985,606
	Less: Finished goods-Closing	199,193,684	200,618,072
	Less: Sample Expenses	7,028,825	6,824,765
	Cost of Goods Sold	639,312,494	622,542,770

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
17.01	Raw materials consumed		
	Opening Stock	163,829,128	125,687,692
	Add: Purchase during the year	349,918,397	344,148,517
	Raw materials available for production	513,747,525	469,836,209
	Less: Closing Stock	190,921,454	163,829,128
		322,826,071	306,007,081
17.02	Packaging Materials Consumed		
	Opening Stock	12,730,323	13,982,278
	Add: Purchase during the year	141,712,311	136,125,409
	Consumable Item available for packing	154,442,634	150,107,687
	Less: Closing Stock	13,798,229	12,730,323
		140,644,405	137,377,364
17.03	Factory Overhead		
	Salary, Wages & allowance	29,726,095	27,023,723
	Festival Bonus	3,706,360	3,409,213
	Medical Expenses	1,107,957	1,083,470
	Food & Tiffin	3,852,066	3,766,933
	Labor Charge	5,004,857	4,894,247
	Research & Development	3,283,690	3,211,119
	Carrying Charge	9,706,892	9,492,364
	Fuel & Oil	14,600,119	14,277,448
	Postage, Telephone & Fax	916,110	895,863
	Printing and Stationary	5,836,017	5,707,038
	Rent	9,100,385	9,100,385
	Repairs & Maintenance	4,233,832	4,436,986
	Electricity, Gas & Water Bills	7,343,626	7,216,642
	Store items (17.03.01)	5,234,689	5,051,880
	Other Overhead	711,881	676,612
	Depreciation (Annexure-A)	77,519,388	81,986,748
		181,883,962	182,230,671
17.03.1	Store Items		
	Opening Balance	3,609,826	3,135,954
	Add: Purchase during the year	5,729,100	5,525,752
	Total:	9,338,926	8,661,706
	Less: Consumption during the year	5,234,689	5,051,880
	Closing Balance	4,104,237	3,609,826
18.00	Operating Expenses		
	Administrative Expenses (Note-18.01)	23,022,739	21,524,405
	Selling & Distribution Expenses (Note-18.02)	108,149,925	102,686,228
		131,172,663	124,210,633

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
18.01	Administrative Expenses		
	Salary & Allowance	15,697,492	14,270,447
	Director Remuneration (MD)	540,000	540,000
	Postage, Telephone & Fax	209,887	205,792
	Traveling & Conveyance Expenses	867,141	850,222
	Repair & Maintenance	457,805	448,872
	Electricity, Fuel & Water	598,899	587,213
	Printing and Stationery	805,094	789,385
	Rent	1,025,482	1,025,482
	Subscription & Donation	306,978	298,066
	Entertainment	299,039	290,357
	Training Expense	146,956	142,689
	Audit Fee	345,000	260,000
	Miscellaneous Expenses	56,619	54,975
	Newspaper & Periodical	16,999	16,505
	Depreciation (Annexure-A)	1,649,349	1,744,399
		23,022,739	21,524,405
18.02	Selling & Distribution Expenses		
	Salary & Allowance	43,716,415	39,742,195
	Transportation and Handling Expenses	11,046,379	10,725,681
	Repair and Maintenance	455,482	442,258
	Food Allowance	5,094,013	4,946,124
	Office and Store Rent	3,282,056	3,282,056
	Delivery Expenses	4,676,356	4,540,592
	Advertisement	458,872	445,550
	Postage, Telephone & Fax	1,935,990	1,879,785
	Electricity, Water and Gas	1,059,330	1,028,575
	Sales promotion expenses	15,495,356	15,045,495
	Traveling & Conveyance Expenses	2,707,601	2,628,994
	Entertainment Expenses	2,149,137	2,086,743
	Training Expense	3,583,045	3,479,022
	Samples Expenses	7,028,825	6,824,765
	Printing & Stationery	1,075,183	1,043,969
	Miscellaneous Expenses	1,087,188	1,055,625
	Depreciation (Annexure-A)	3,298,697	3,488,798
		108,149,925	102,686,228
19.00	Financial Expenses		
	Interest on Loan	-	389,434
	Bank Charges Expenses	690,254	749,709
		690,254	1,139,143
20.00	Non-operating Income		
	Interest Income (IPO)	734,899	-
	Sales of Wastage	286,544	321,068
		1,021,443	321,068
21.00	Income Tax Expenses/(Income)		
	Current Taxes Expenses (Note-21.01)	28,342,896	41,504,545
	Deferred Tax Expenses/(Income) (Note-21.02)	(49,029,824)	15,230,034
		(20,686,928)	56,734,579

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
21.01	Current Tax Expenses		
	Regular tax (A)	28,342,896	41,504,545
	Minimum tax (B)	5,520,377	5,508,578
	Higher one	28,342,896	41,504,545
	A. Regular Tax		
	Profit before Tax	141,797,517	162,098,798
	Add: Depreciation as Accounting base	82,467,434	87,219,945
	Total:	224,264,951	249,318,743
	Depreciation as per Tax base	(110,893,368)	(130,734,329)
	Taxable Profit	113,371,583	118,584,414
	Income Tax Rate	25.00%	35.00%
	Current Tax expenses for the year	28,342,896	41,504,545
	B. Minimum tax		
	Turn over	919,041,362	917,775,216
	Non-Operating Income	1,021,443	321,068
		920,062,805	918,096,283
	Minimum tax rate	0.6%	0.6%
		5,520,377	5,508,578

Minimum Tax on turnover and other income is higher than the amount of income tax deducted at source.

21.02	Deferred Tax Expenses/(Income)		
	Deferred Tax Liability Closing (Note-11.00)	147,447,251	196,477,075
	Opening Deferred Tax Liability 01.07.2018	196,477,075	181,247,040
	Deferred Tax Expenses/(Income) during the year	(49,029,824)	15,230,035
22.00	Earnings Per Share (EPS)		
	a) Net Profit after Tax	162,484,445	105,364,219
	b) Weighted average number of shares outstanding (Note-22.01)	71,109,726	64,370,000
	Earnings Per Share (EPS) (a/b)	2.28	1.64

22.01 Calculation of Weighted Average Number of Shares
For the year ended June 30, 2019

Particulars	Number of Share	Weight	Weighted average no of Shares
Opening No. of Shares	64,370,000	365/365	64,370,000
New Allotment No. of Shares during the year 10 April, 2019	30,000,000	82/365	6,739,726
Total	94,370,000		71,109,726

23.00	Net Asset Value (NAV) Per Share		
	Total Assets	2,568,273,912	2,146,314,114
	Less: Total Liabilities	386,076,197	405,237,242
	A. Net Asset Value (NAV)	2,182,197,715	1,741,076,872
	B. Total Number of Share outstanding	94,370,000	64,370,000
	Net Asset Value (NAV) Per Share (A/B)	23.12	27.05
24.00	Net operating cash flow per share (NOCFPS)		
	a) Net Operating Cash Flows	80,767,467	86,493,071
	b) Weighted average number of shares outstanding (Note-23.01)	71,109,726	64,370,000
	Net operating cash flow per share (NOCFPS) (a/b)	1.14	1.34

Note No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018

24.01 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities

Particulars	Amount in Taka	
	30 June 2019	30 June 2018
Net Profit before Tax	141,797,517	162,098,798
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation on Fixed Assets	82,467,434	87,219,945
Financial Expenses	-	-
Unrealized Foreign Exchange Gain/Loss	-	-
Increase in Inventories	(27,667,762)	(33,610,936)
Increase in Trade Receivables	(100,624,209)	(100,661,108)
Increase in Advance, Deposits and Prepayments	(13,234,370)	(28,848,373)
Increase in Creditors & Accruals	1,008,614	555,828
Increase in Liabilities for WPPF	(1,015,064)	187,390
Decrease in Trade Payables	(610,679)	645,004
Income tax paid	(1,354,015)	(1,093,477)
Net Cash Generated from Operating Activities	80,767,467	86,493,071

Net Cash Generated from Operation Activities (direct Method)	80,767,467	86,493,071
Difference	Nil	Nil

25.00 Information as per the Companies Act, 1994

25.01 Disclosures as per IAS 24 Related Party disclosures are as follows:

The company carried out a number of transaction with related parties. The following are the related parties transactions of Silco Pharmaceuticals Limited has been disclosed by IAS 24 Related Party Disclosures:

(a) Short-term employee benefits

540,000

Remuneration:

Name of Director	Designation	Transaction during the year	Provision for doubtful debts	Outstanding as on 30 June 2019	Outstanding as on 30 June 2018
Dr. Md. Badrul Haque Rukon	Managing Director	540,000	-	45,000	45,000

(b) Post-employee benefits

Nil

(c) Other long term benefits

Nil

(d) Termination benefits and

Nil

(e) Share-based payment

Nil

25.02 Disclosure as per requirement of Schedule XI, part II, Para 4 of the Companies Act, 1994 are given below:

a) Managerial Remuneration paid or payable during the financial year to the directors, including managing directors, a managing agent or manager;	540,000	540,000
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

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 ;	NIL	NIL
g) Other allowances and commission including guarantee commission;	NIL	NIL
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) Consideration in connection with retirement from office.	NIL	NIL

25.03 Aggregated amount of remunerating paid to all Directors and Officers during the accounting Period is as follows:

Particulrs	Nature of Payment	2018-2019	2017-2018
Directors (Managing Director)	Remuneration	540,000	540,000
Officers and Executives	Salary and other Allowances	15,697,492	14,270,447
Total		16,237,492	14,810,447

26.00 Board Meeting attendance Fees

Board of Directors of Silco Pharmaceuticals Limited till now have not taken any board meeting attendance fees. During the period from 01.07.2018 to 30.06.2019, there were 6 (Six) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Board of Directors	Designation	No. of Meeting held	No. of Meeting attending
Naim Fatema	Chairman	6	6
Dr. Md Badrul Haque Rukan	Managing Director	6	6
Dr. Md. Azizur Rahman	Director	6	4
Dr. Shahana Ferdous Chowdhury	Director	6	5
Dr. Gulshan-E-Jahan	Director	6	6
Dr. Md. Harunur Rashid	Director	6	6
Dr. Mahmudul Majid Chowdhury	Director	6	5
Prof. Dr. Faisal Ahmed	Director	6	4
Prof. Dr. Md Abul Ahabab	Independent Director	6	6
Prof. Dr. Md. Rezaul Karim	Independent Director	6	5
Dr. Iqbal Hossain Chowdhury	Independent Director	6	5

27.00 Disclosure as per requirement of schedule XI, Part II, Para 7 are given below:

Product Categories	Unit	Installed Capacity (Annual)	Actual Production During the period	% of Capacity utilization During the period
Tablet	Pcs.	280,000,000	193,392,878	69.07%
Capsules	Pcs.	150,000,000	91,344,257	60.90%
Liquid Syrup	Bottles	4,000,000	3,496,143	87.40%
Dry Surup	Bottles	1,000,000	594,075	59.41%
Pellet	Kg	300,000	156,948	52.32%
Powder	Phials	1,000,000	576,845	57.68%
Powder of Suspension	Bottles	500,000	448,183	89.64%
SRS Saline	Pcs.	20,000,000	17,825,364	89.13%
Total		456,800,000	307,834,693	67.39%

28.00 Disclosure as per requirement of Schedule-XI, Part-II, Note-5 of Para-3 of companies Act 1994

Employee Position (as on June 30, 2019)

Salary Range	Officer & Staff		Marketing Staff	Total Employee
	Factory	Head Office		
Below 6000	11	9	87	107
Above 6000	37	118	122	277
Total	48	127	209	384

29.00 General

a) Audit Fee: Audit fee of Tk. 345,000 represented only the audit fees and VAT thereon.

b) Capital Expenditure Contract

There is no capital expenditure contract has been made during the year.

c) Contingent Liabilities & Capital Commitments

There is no claim against the company not acknowledged debt and no un-availed credit facilities, other than those in the normal course of business, available to the company on June 30, 2019.

d) Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

30.00 Significant Deviation**30.01 Net Profit After Tax**

Income before tax is tk. 141,797,517.00, but income after tax became tk. 162,484,445 due to reduced deferred tax liability from tk. 196,477,075 as at 30 June, 2018 to tk. 147,447,251 as at 30 June, 2019. The company was listed with Dhaka Stock Exchange and Chittagong Stock Exchange as at April 25, 2019 and April 30, 2019 as a result the tax rate of the company was come from 35 % to 25 %, consequently the deferred tax liability need to adjust from tk. 196,477,075 to tk. 147,447,251. Therefore, income after tax was increased by tk. 49,029,824 for deferred tax adjustment and net income increased by tk. 20,686,928.

30.02 Earnings Per Share (EPS)

In the current year EPS is calculated as Tk. 2.28 per share which was tk. 1.64 per share in comparative year. In the current year EPS increased due to increased of net profit after tax which is mentioned above. In the current year Weighted Average Number of Shares increased to 7,11,09,726 due to issuance of new share proceed from IPO.

Silco Pharmaceuticals Limited
Schedule of Property, Plant and Equipment
As at 30 June 2019

Particulars	Cost		Rate of Dep. (%)	Depreciation		Written Down Value as at June 30, 2019
	Balance as on 1st July 2018	Addition during the year		Balance as on June 30, 2019	Charge during the year	
Land and Land Development	74,854,740	-	-	-	-	74,854,740
Building	444,217,981	28,066,336	2.50%	10,017,646	69,901,827	402,382,490
Plant & Machinery	1,139,479,904	1,847,000	10.00%	64,612,760	559,350,310	581,976,594
Electrical Equipment	23,221,372	-	10.00%	1,400,104	10,620,438	12,600,934
Electrical Installation	51,407,688	-	10.00%	2,573,640	28,244,932	23,162,756
Furniture & Fixture	16,315,347	87,778	10.00%	1,130,952	6,202,608	10,200,517
Office Equipment	9,028,692	-	10.00%	627,895	3,377,639	5,651,053
Computer	4,207,426	104,050	20.00%	433,591	2,542,428	1,769,048
Transformer	12,738,550	-	10.00%	568,604	7,621,116	5,117,434
Vehicles	4,430,115	-	10.00%	136,029	3,205,856	1,224,259
Air Condition	6,575,456	-	20.00%	544,516	4,397,392	2,178,064
Fire Extinguisher	6,308,680	-	20.00%	421,698	4,621,890	1,686,790
Balance as on 30 June, 2019	1,792,785,951	30,105,164		82,467,434	700,086,436	1,122,804,679
Balance as on June 30, 2018	1,726,890,358	65,895,593		87,219,945	617,619,002	1,175,166,949

Allocation of Depreciation	Rate (%)	Taka
Factory Expenses	94.00%	77,519,388
Administrative Expenses	2.00%	1,649,349
Selling & Distribution Expenses	4.00%	3,298,697
Total	100%	82,467,434



Silco Pharmaceuticals Limited (SPL)

৪১, বৈষ্ণবপুর, ইদহ কাম্বাধটুপংখ, বাঁনরফ ইপ্পং, বাুযবঃ.

PROXY FORM

I/We.....of

being a shareholders of **Silco Pharmaceuticals Limited (SPL)** and entitle to vote, hereby appoint Mr./Mrs./Miss.

as my/our proxy to attend and vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 26th December, 2019 at 10:00 a.m at the **Khan Palace Convention Hall, Subid Bazar” Sylhet** or at any adjournment there of or at any ballot to be taken in consequence hereof.

Revenue
Stamp
Tk. 20.00

(Signature of the Shareholder)

(Signature of Proxy)

BO ID No.

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No. of Shares held

Dated.....

Note:

- 1) This form of proxy, duly completed and signed must be deposited at least 48 hours before the meeting at the Company's corporate office. Proxy is invalid if not signed and stamped as explained above.
- 2) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.



Silco Pharmaceuticals Limited (SPL)

৪১, বৈষ্ণবপুর, ইদহ কাম্বাধটুপংখ, বাঁনরফ ইপ্পং, বাুযবঃ.

ATTENDANCE SLIP

I hereby record my attendance at 24th Annual General Meeting of the Company being held on Thursday, 26th December, 2019 at 10.00 a.m. at the **Khan Palace Convention Hall, Subid Bazar” Sylhet**

Name of the Member/Proxy.....

BO ID No.

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No. of Shares held

Dated.....

(Signature of Proxy)

(Signature of the Shareholder)

Date

N.B. Shareholder attending meeting in person or by Proxy are requested to completed the Attendance slip and deposit same at the entrance of the meeting.



SILCO PHARMACEUTICALS LIMITED

Head Office: ৪১, ঘাটহর, ইখত কাম্বাটখৎখ, কাঁনরফ ইখুখৎ, কুযযবঃ-৩১০০

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Factory: ইবাদুঔঔ ওহফংংরষখ উংখঃখ, কযখফরসহখমখৎ, কুযযবঃ-৩১০৩

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