ANNUAL REPORT 2020 2021







SILCO PHARMACEUTICALS LIMITED

www.silcopharma.com


বিসমিল্লাহির রাহমানির রাহিম

Table of Contents

Letter of Transmittal	01
Mission and Vision	02
Directors' Profile	03-05
Notice of the 26th Annual General Meeting	06
Certificate of BAPLC	07
Certificate of Membership BAPI	08
Corporate Directory	09
Corporate Review	10
Message From the Chairman	11
Managing Director's Statement	12
Directors' Report to the Shareholders	13-19
Management discussion and analysis signed by Managing Director	20
Our Principle products	21-23
Financial Highlights	24-25
Report of the Audit Committee	26-27
Report of the Nomination and Remuneration Committee & Terms of Reference	28-34
Directors Responsibilities for Financial Report	35
MD & CFO's declaration to the board	36
Photograph Gallery	37-42
Certificate of Corporate Governance code	43
Compliance Status of Corporate Governance code	44-56
Auditors Report to the Shareholders	57-61
The Financial Statement	62-90
Proxy Form & Attendance Slip	91

LETTER OF TRANSMITTAL

The Shareholders
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC)
Dhaka Stock Exchange Ltd.(DSE)
Chittagong Stock Exchange Ltd.(CSE)

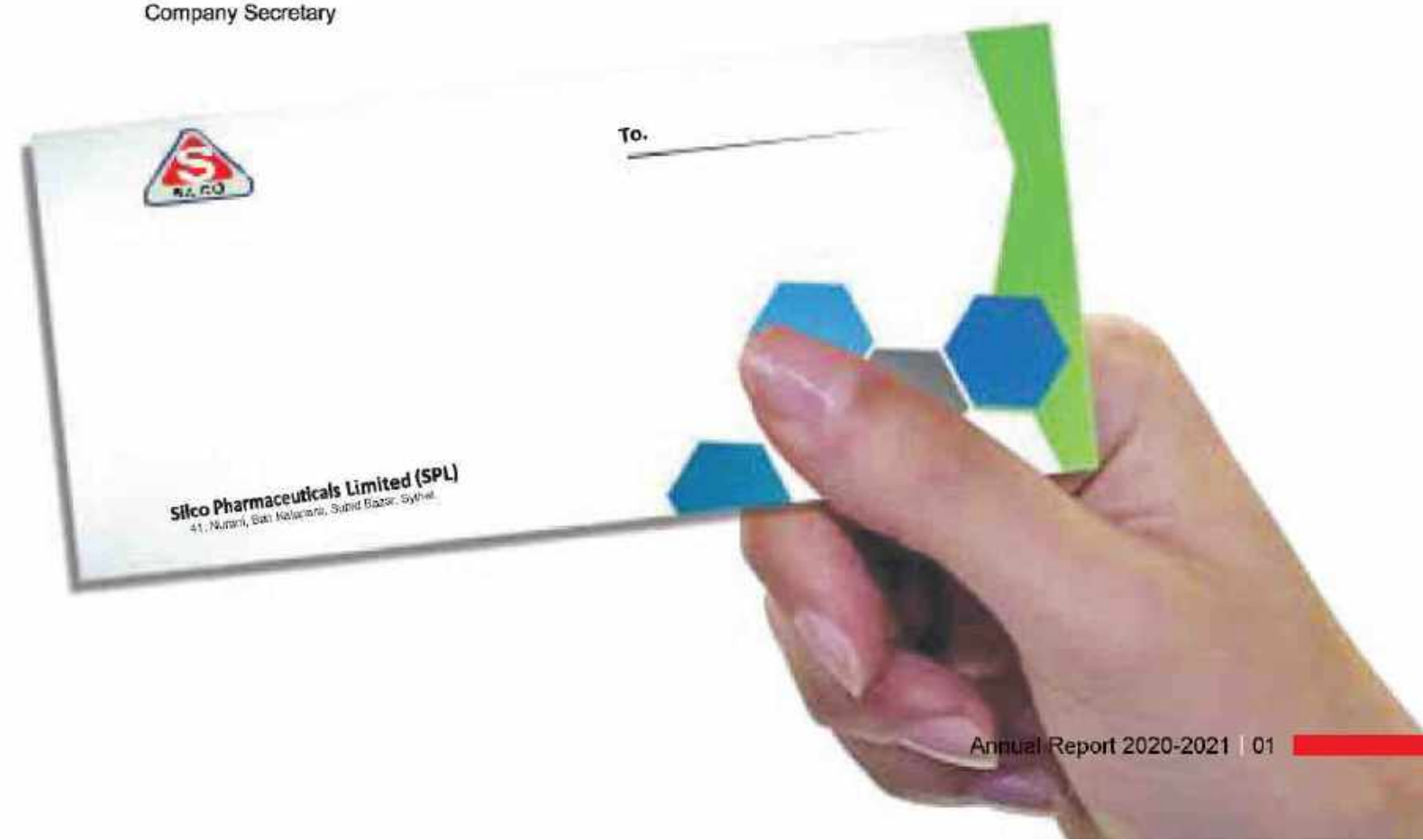
Subject: Annual Report for the year ended June 30, 2021

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 2021, 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 2021 along with notes to the Financial Statements thereon for your necessary measures and record.

Yours sincerely,

Sd/
Tingku Ranjan Sarker
Company Secretary





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.

Directors' Profile



Mrs. Naim Fatema
Chairman



Dr. Badrul Haque Rukan
Managing Director



Dr. Md. Azizur Rahman
Director



Dr. Gulshan-E-Jahan
Director



Prof. Dr. Md Harunur Rashid
Director



Dr. Mahmudul Majid Chowdhury
Director



Prof. Dr. Faisal Ahmed
Director



Prof. Dr. Md Abul Ahbab
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 Limited**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 65, 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 in 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 experiance 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 Limited**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. 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 Limited**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 Ahbab
Independent Director, Silco Pharmaceuticals Ltd.

Prof. Dr. Md. Abul Ahbab 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. Ahbab 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. Ahbab is contributing to Silco Pharmaceuticals Ltd business strategy develop-ment as independent director as he has approximately 35 years of experience in Medical Science and Pharmaceuticals industry of Bangladesh. Mr. Ahbab has financial and management experience as well as he gained such experience while he was princi-pal 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 Limited**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 Limited**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 26th Annual General Meeting

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

Notice is hereby given to all the Shareholders of **Silco Pharmaceuticals Limited** that, the 26th Annual General Meeting (AGM)-2021 of the Company will be held on **Sunday, 16th January 2022 at 11:30 A.M.** at virtually by using **"Digital Platform"** as per BSEC order SEC/SRMRC/04/231/25 July 08, 2020 through the link http://silcophl26.digitalagmbd.net to transact the following business.

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2021, together with the report of the Directors' and Auditors' thereon.
2. To approve proposed 10% cash dividend for the year ended June 30, 2021 as recommended by the Board of Directors
3. To appoint external Auditors of the Company for the year 2022 and to fix their remuneration.
4. To appoint Auditors for Compliance of the Corporate Governance Code of the Company for the year 2022 and to fix their remuneration.
5. To elect/re-elect the Directors as per Article of Association of the Company.
6. To Discuss the IPO Fund Utilization process.
7. 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 26, 2021

Notes:

1. The Shareholders whose names will appear in the Share Register of the Company or Depositary Register of CDBL as on the **Record Date i.e. December 20, 2021** will be eligible to attend the 26th Annual General Meeting (AGM) and qualify for the dividend.
2. 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 or through e-mail: cfo.silcopharma@gmail.com or info@silcopharma.com , not more than 48 hours before the time fixed for the meeting.
3. Written queries, if any, expected to be replied at the 26th Annual General Meeting on the Directors' and Auditors' Reports and Audited Accounts for the year ended June 30, 2021 should reach at the share department of the company at least 3 days before the meeting for the sake of convenience of appropriate explanation.
4. The shareholders will join the Virtual AGM of SILCOPHL through the link prior to 24 hours of the meeting. The shareholders will be able to registration, comments and vote before commencement of the AGM and during the AGM.
4. Shareholders bearing BO ID are requested to update the particulars of Bank A/C, e-mail address, change of address and 12 digit Tax payers' identification number (e-Tin) through their depository participant (DP) to avoid deduction of 15% tax instead of 10% for individuals as per Section 54 of the amended Income Tax Ordinance, 1984.
5. As per notification of BSEC, the soft copy of Annual Report will be sent to the shareholders' e-mail address available in their BO Accounts maintained by the Depository Participant (DP). The soft copy of Annual Report FY 2020-2021 and Proxy Form will also be available in the company's website at **hhttp://www.silcopharma.com.** The shareholders may also collect the printed copy of Annual Report FY 2020-21 from the corporate office of the company.
6. 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.

বিঃ দ্রঃ সম্মানিত শেয়ার হোল্ডারবৃন্দের অবগতিরজন্য জানানোযাচ্ছে যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর সার্কুলার নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ- অক্টোবর ২৪, ২০১৩ অনুযায়ী কোন প্রকার উপহার বা আপ্যায়নের ব্যবস্থা নেই।

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2020/252

BAPLC

Date of issue : October 5, 2020

Certificate of Membership

This is to certify that

SILCO PHARMACEUTICALS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2020.

BAPLC

Secretary-General

বাংলাদেশ ঔষধ শিল্প সমিতি

BANGLADESH ASSOCIATION OF PHARMACEUTICAL INDUSTRIES

Navana Osman@Link (Level-4), 214/D Bir Uttam Mir Shawkat Avenue
Tejgaon-Gulshan Link Road, Dhaka-1208. Fax: 88-02-8823651
Phone: 88-02-58816767, 9889731, 8824163 E-mail: bdass@bol-online.com

CERTIFICATE OF MEMBERSHIP

CERTIFICATE NO. 1096

MEMBERSHIP NO. BASS/MD-2017/145

This is to certify that M/s **Silco Pharmaceuticals Limited**

BSCIC Industrial Estate, Khadimnagar, Sylhet-3103

is a member of Bangladesh Aushad Shilpa Samity.

This Association is duly licensed by the Ministry of Commerce, Government of the People's Republic of Bangladesh under reference License No. 3 of 1973 and incorporated with the Registrar of Joint Stock Companies, Bangladesh bearing Certificate No. 3898-B of 1972-1973.
147

This Association is also affiliated with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) *Dhaka and International Federation of Pharmaceutical Manufacturers Associations* (IFPMA) *Geneva.*

This Certificate is valid upto 31st December **2017**

Ziaul Huq
Secretary
Secretary/Secretary General
(Bangladesh Aushad Shilpa Samity)

Given on this day of
18 OCT 2017

Nazmul Hassan
Nazmul Hassan, MP
President
President
Bangladesh Aushad Shilpa Samity



Corporate Directory

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, Antipyratics, 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 1,038,070,000.00 (As on June 30, 2021)
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	: info@silcopharma.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. Gulshan-E-Jahan	: Director
Dr. Md. Harunur Rashid	: Director
Dr. Mahmudul Majid Chowdhury	: Director
Prof. Dr. Md. Faisal Ahmed	: Director
Prof. Dr. Md. Abul Ahbab	: Independent Director
Prof. Dr. Md. Rezaul Karim	: Independent Director
Dr. Iqbal Hossain Chowdhury	: Independent Director

(b) Audit Committee:

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

(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 26th Annual General Meeting-2021 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, 2021 along with our business performance. **Silco Pharmaceuticals Limited**, performed well during the year 2020-2021. 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 2020-2021, 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 10% Cash dividend for all the general shareholders, independent director & sponsor director for the year 2020-2021

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 2020-2021. 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 26th Annual General Meeting-2021 of **Silco Pharmaceuticals Limited** 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, 2021 along with our business performance. We are always trying to create the value for investment of the shareholders who have pledge 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 2020-2021 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 Limited 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 Limited performed very well during the year 2020-2021. We believe that our endeavors and team work have enabled the Company to maintain its profitability under competitive industry scenario.

In 2020-2021, 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 10% Cash for the year 2020-2021

At **Silco Pharmaceuticals Limited** 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
Respected Member & Honorable Shareholders
Assalamualaikum,

On behalf of the Board of Directors of **Silco Pharmaceuticals Limited** (SPL), I welcome you all to the 26th Annual General Meeting-2021. It is our pleasure to appear before you the Audited Financial Statements of the Company for the year ended June 30, 2021, 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, Antiulcer ants, Multi medicines which are sold mainly in local market and in international markets respectively 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 1038.07 million as at June 30, 2021.

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. 0.82 which was tk 0.80 in last year, revenue tk. 601.1 million which was tk 733.6 million in last year, NOCFPS is tk 2.48 which was tk 1.41 in last year and NAV is tk. 21.85 which was tk 21.64 in last year.

The operating financial results of the Company for the year 2020-2021 as compared to previous year are summarized hereunder:

Particular	2020-2021	2019-2020
Turnover	601,061,104	733,651,005
Gross Profit	168,394,645	212,726,144
Financial Expenses	446,948	997,464
Non-Operating Income	11,453,082	14,937,071
Net Profit Before Tax (NPBT)	89,631,449	110,900,718
Provision for Taxation	16,789,738	22,686,928
Net Profit After Tax (NPAT)	84,647,417	83,175,539
Gross Margin (Turnover)	28.01%	29.00%
Net Margin Before Tax	14.91%	15.12%
Net Margin After Tax	14.08%	11.34%
Earnings Per Share (EPS) BDT.	0.82	0.80
Number of Shares used to compute EPS	1,038,070,000	1,038,070,000

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-2021**		**30-June-2020**	
	Amount	**Percentage**	**Amount**	**Percentage**
Turnover	601,061,104	100.00	733,651,005	100.00
Cost of Goods Sold	432,666,459	71.98	520,924,861	71.00
Gross Profit	168,394,645	28.01	212,726,144	29.00
Net Profit for the year	84,647,417	14.08	83,175,539	11.34

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, 2021.

Utilization of IPO Fund

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 No.	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
	Amount in Total	**300,000,000.00**

The status of IPO utilization as on June 30, 2021 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 full IPO fund Tk. 30,00,00,000/- (Construction of new factory building, Import of new machinery, Purchase of Delivery Van and IPO expenses)in total up to June 30, 2021 which was certified by independent auditor, SHIRAZ KHAN BASAK & CO. Chartered Accountants.

Unpaid or Unclaimed Dividend

This is our 26th Annual General Meeting -2021. There is the following summary of the unpaid or unclaimed dividends till June 30, 2021

Years	Unclaimed Dividend Amount
2021	Tk. 1,234,260
2020	Tk. 482,136

Significant Variance of Financial Statement

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2021

Appointment of Statutory Auditors

During the 25th Annual General Meeting (AGM) the Shareholder appointed Ashraf Uddin & Co. Chartered Accountant, as Statutory Auditors of the company for the year 2020-2021. The Auditor is eligible for re-appointment as per BSEC notification. As proposed by the Audit Committee and recommended by the Board of Directors at its meeting dated November 23, 2021, the matter for appointment of Ashraf Uddin & Co. **Chartered Accountants** for the year 2021-2022 as statutory auditors of the company and to fix their remuneration of Tk. 3,50,000/- (Three Lac Fifty Thousand) including VAT & AIT is placed before the Shareholders at the 26th Annual General Meeting (AGM) for approval.

Appointment of Independent Scrutinizer

The BSEC, Condition no 9. Directive, dated March 10, 2021 Ref no. BSEC/CMRRCD/2009-193/08-. The company to be recruited an Independent Scrutinizer for observed the election and detailed information of voting results to Annual General Meeting (AGM)-2021. As proposed by the Board of Directors at its meeting dated November 18, 2021, the matter for appointment of The **ManConBD, Chartered Secretary** for the year 2020-2021 as Independent Scrutinizer of the company and to fix their remuneration of Tk. 20,000/- (Twenty Thousands) including VAT & AIT is placed before the Shareholders at the 26th Annual General Meeting (AGM) for approval.

Maintaining a Website

The company maintains an official website, **www.silcopharma.com**

Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018

Board Size

The number of members in the Board of Directors of the Company stands at 10 (including Three Independent Director) which are within the limits given by the BSEC Notification.

Election of Directors

Dr. Md. Azizur Rahman, Prof. Dr. Md. Harunur Rashid, Dr. Mahmudul Majid Chowdhury and Prof. Dr. Faisal Ahmed Director of the Company, retire as per articles 111 & 112 of Articles of Association and being eligible

offer themselves for re-election. Brief resume and other information of the above-mentioned directors as per clause 1.5 (xxii) of BSEC notification dated 7th August 2012 are depicted in Annexure-III.

a. A brief resume of the director
b. Nature of his or her expertise in specific functional areas
c. Names of companies in which the person also holds the directorship and the membership of committees of the board

Chief Financial Officer, Company Secretary, Head of Internal Audit

As per corporate governance guidelines 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 Rahman

Audit Committee

The Audit Committee, as a subcommittee of the Board of Directors, has been constituted with the Independent Director as Chairman and other Directors. The Company Secretary acts as Secretary to the Audit Committee. This committee assists the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company. The audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit Committee has been stated in the annual audit committee report.

Corporate Governance

Corporate Governance is the practice of good citizenship, through which the company is governed by the board, keeping in view its accountability to the shareholders and to the society. A statement in pursuance of clause 1.5, The Directors Report to Shareholders. 3.5, Reporting to the Shareholders and General Investors, Certificate from the CEO and CFO to the Board as per clause 6, a certificate from a professional accountant as per clause 7(I), and 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 by Bangladesh Securities & Exchange Commission is depicted in Annexure-I, II, IV, VI, and VII respectively.

Management Appreciation

The Board of Director's record with deep appreciation the performance of the management, the officers, status and workers whose relentless effort helped increase the productivity as well as the net profit despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and the management will continue to improve the results for the interest of shareholders whose unswerving trust in management has always been an inspiration to the Board of Directors.

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.

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 Professional Firm For The Certificate On Compliance With The Corporate Governance Code of BSEC:

MZ Islam & Co., Chartered Accountants, completed their three years audit as per BSEC from 2019 to 2021. Now FAMES & R. Chartered Accountants, expressed their interest for new appointment as auditor for the year 2021-2022. The Board recommended the proposal for new appointment of **FAMES & R.., Chartered Accountants**, as the auditor of the Company for the year 2021-2022 subject to the approval of shareholders in 26th Annual General Meeting of the company.

Related party transactions

Related party transactions are presented in note no. 29.01 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

Annexure To The Directors' Report

ANNEXURE-I

- Related Party Transactions are depicted in Note no 29.01 in the Notes to the Account.
- Remuneration of Directors including Independent Director has been shown in Note no 29.01 in the Notes to the Account.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
- The internal control system is sound in design and is effectively implemented and monitored.
- Key operating and financial data of last five years have been presented in summarized form in page no. 24
- The number of Board Meeting and the Attendance of Directors for the year ended 30 June, 2021 were as follows:

Board Members	Designation	Meeting Held	Attendance
Mrs. Naim Fatema	Chairman	4	3
Dr. Badrul Haque Rukkan	Managing Director	4	4
Dr. Md. Azizur Rahman	Director	4	4
Dr. Gulshana-E-Jahan	Director	4	3
Prof. Dr. Md. Harunur Rashid	Director	4	4
Dr. Mahmudul Majid Chowdhury	Director	4	4
Prof. Dr. Faisal Ahmed	Director	4	4
Prof. Md. Abdul Ahbad	Independent Director	4	4
Prof. Dr. Md. Rezaul Karim	Independent Director	4	4
Dr. Iqbal Hossain Chowdhury	Independent Director	4	3

The pattern of Shareholding as required by clause 1.5 (xxi) of the BSEC Notification dated 7th August, 2012, is stated in Annexure II.

ANNEXURE-II

xxiii. Pattern of Shareholding as on 30th June, 2021

Shareholding Pattern

The shareholding of directors at the end of 30 June, 2021 is shown as bellow:

Sl No	Name of the Shareholder	Position	Shares Held	%
i.	**Parent/Subsidiary/Associated companies and other related parties**			
ii	**Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouse and Minor Children:**			
	Mrs. Naim Fatema	Chairman	5,951,000	5.73
	Dr. Badrul Haque Rukkan	Managing Director	13,930,543	13.42
	Dr. Md. Azizur Rahman	Director	3,317,457	3.20
	Dr. Gulshana-E-Jahan	Director	3,476,000	3.35
	Prof. Dr. Md. Harunur Rashid	Director	3,498,000	3.37
	Dr. Mahmudul Majid Chowdhury	Director	3,245,000	3.13
	Prof. Dr. Faisal Ahmed	Director	3,197,370	3.08
	Prof. Md. Abdul Ahbad	Independent Director	110,000	0.11
	Prof. Dr. Md. Rezaul Karim	Independent Director	220,000	0.21
	Dr. Iqbal Hossain Chowdhury	Independent Director	Nil	Nil
iii	**Office Staffs**			
	Mr. Tingku Ranjan Sarker	Company Secretary	Nil	Nil
	Md. Monjur Alam	Chief Financial Officer	Nil	Nil
	Brig. Gen. (Ret.) Khademul Insan Md. Iqbal	Head of HRD	110,000	0.11
	Md. Nurul Islam	General Manager (Sales & Marketing)	Nil	Nil
	Mr. Bikash Biswas	Plant Manager	Nil	Nil
	Md. Saifuzzaman Chowdhury	Manager (Admin & Commercial)	Nil	Nil
	Mr. Tanvir Alam	Asst. Production Manager	Nil	Nil
	Mr. Arpon Tlukder	Asst. In charge (Store & VAT)	Nil	Nil
iv	**Shareholders holding 10% or more voting interest in the company:**			
	Dr. Badrul Haque Rukkan	Managing Director	13,930,543	13.42

1. No Company Secretary/CFO/ Internal Auditor and their spouse and minor children hold above mentioned shares of the Company.
2. No Shareholders hold 10% or more shares except Dr. Badrul Haque Rukan hold 13.42% shares.

Summary of Shareholders and range of shareholder:

The Shareholding distribution schedule of **Silco Pharmaceuticals Limited** as on June 30, 2021 is presented as below:

Group Name	Number of Share Holders	Number of Shares	Ownership (%)
Sponsors/Promoters & Director	10	4,06,08,370	39.12
Institutions	3,227	44,784,261	43.14
General Public	132	18,414,369	17.74

Directors Involved In Other Companies:

Sl No.	Name	Position in DSBSL	Involvement	
			Name of the Company	Position
1	Mrs. Naim Fatema	Chairman	North East Medical College & Hospital	Director
2	Dr. Badrul Haque Rukkan	Managing Director	Park View Medical College & Hospital	Director
3	Dr. Md. Azizur Rahman	Director	Al-Amin Dental College	Director
4	Dr. Gulshana-E-Jahan	Director	North East Medical College & Hospital	Director
5	Prof. Dr. Md. Harunur Rashid	Director	North East Medical College & Hospital	Director
6	Dr. Mahmudul Majid Chowdhury	Director	Sylhet Women's Medical College	Director
7	Prof. Dr. Faisal Ahmed	Director	Sylhet Women's Medical	Director

			College	
8	Prof. Md. Abdul Ahbad	Independent Director	Mount Adora Hospital	Chairman
9	Prof. Dr. Md. Rezaul Karim	Independent Director	Sylhet Women's Medical College	Director
10	Dr. Iqbal Hossain Chowdhury	Independent Director	North East Medical College & Hospital	Director

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 10% Cash Dividend for the year 2020-2021

The director humbly expresses their gratitude and acknowledges with keen interest the cooperation and unflinching support it has received from various agencies including the Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue, and other agencies of the public and the private sector. We look forward to a brighter future for all of us.

We look forward to a brighter future for all of us.

Mrs. Naim Fatema
Chairman
Silco Pharmaceuticals ltd.

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, govern-ment 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 2017, sales stood Tk. 906 million and now in 2021 sales stand Tk. 601 million. In line with sales, net profit after tax had been deccreased from around Tk. 102 million in 2017 to Tk. 84 million in 2021. 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 2020-2021 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 almost favorable financial performance in comparing with peer industries during the reporting year, the company achieved its revenue Tk. 601 million. It is to be noted that due to the global Corona epidemic, the economic situation and production activities have come to a standstill and as a result we have not been able to meet our expected production. Hopefully we will get rid of this problem in a very short time.

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.

Sd/-
Dr. Md. Badrul Haque Rukan
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	Cephradine BP 500mg.
	Bactacef Dry Susp.	Cephradine BP125mg/5ml.
	Bactacef DS Dry Susp.	Cephradine 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
ANTIHYERTENSIVE & 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	Antismin 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	AmbroxolHydrocloride 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
	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.
	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 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, 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, 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)	Ammonium Bicarbonate, Sodium Bicarbonate, Nux Vomica, Zinger Powder, Zensian Powder.
	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.

Financial Highlights

Operational Result	Amount in Taka				
	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Turnover	601,061,104	733,651,005	919,041,362	917,775,216	906,528,993
Gross Profit	168,394,645	212,726,144	279,728,868	295,232,446	290,918,804
Profit from Operation	83,870,675	116,445,754	148,556,204	171,021,813	169,054,883
Net Profit before tax	89,631,449	110,900,718	141,797,517	162,098,798	158,351,004
Net Profit after Tax	84,647,417	83,175,539	162,484,445	105,364,219	102,928,153
Net Operating Cash Flow per Share	2.48	1.41	1.14	1.34	3.35

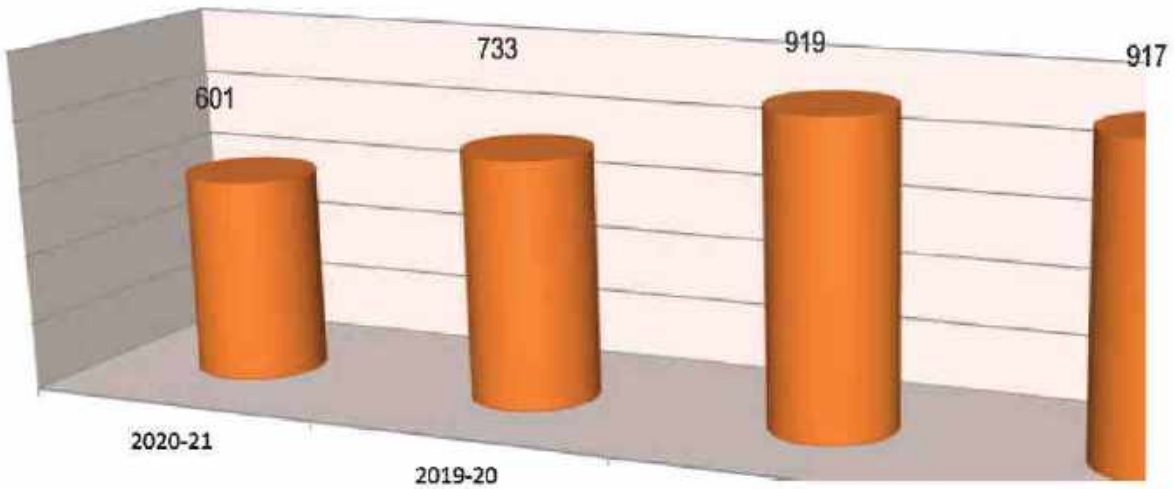
Financial Position	Amount in Taka				
	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Non-Current Assets	1,643,359,449	1,333,906,074	1,242,539,972	1,249,517,443	1,255,558,189
Current Assets	1,052,230,886	1,324,761,125	1,325,733,939	896,796,670	734,595,336
Shareholder's Equity	2,268,018,123	2,246,499,254	2,182,197,715	1,741,076,872	1,635,712,653
Current Liability	282,961,209	259,863,784	238,628,946	208,760,168	171,889,000
Non-Current Liability	144,611,002	152,304,164	147,447,251	196,477,075	182,551,872

Financial Ratio	Amount in Taka				
	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Current Ratio	3.72	5.10	5.56	4.30	4.27
Quick Ratio	2.13	2.96	3.32	1.94	1.78
Debt to Equity Ratio	-	-	-	-	0.0045
Net Income Ratio (%)	14.08%	11.34%	17.68%	11.48%	11.35%
Return on Equity (%)	3.73%	3.76%	8.28%	3.12%	6.50%
Earnings Per Share	0.82	0.80	2.28	1.64	1.60

Financial Highlights in the form of Graphical Representation

Amount in Million







Report of the Audit Committee

The Audit Committee, as a sub-committee of the Board has been constituted with 1 (one) Independent Director as Chairman and 2 (two) other Non-Executive 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 2020-2021, under review the Audit Committee of **Silco Pharmaceuticals Limited** met 4 (four) time

Audit Meeting Attended by Members		
Name	**Position**	**Meeting Attended**
Prof. Dr Md Abul Ahbab	Chairman	4
Prof. Dr Md Harunur Rashid	Member	4
Dr. Md Azizur Rahman	Member	3
Mr. Tingku Ranjan Sarker	Secretary of the Committee	4

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, 2020 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 Ahbab

Chairman of the Committee

Report of the Nomination and Remuneration Committee & TOR

The Nomination and Remuneration Committee (NRC), as a sub-committee of the Board of Director has been constituted with 3 (three) board of non-executive 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

(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;

(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board.

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:

   a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

   b) the relationship of remuneration to performance is clear and meets appropriate performance bench marks; and

   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;

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 replace ment 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 of the Committee

NOMINATION & REMUNERATION COMMITTEE – TERMS OF REFERENCE OF SILCO PHARMACEUTICALS LIMITED

1. Purpose

1.1 The purpose of the Nomination and Remuneration Committee is to assist the Board in ensuring that the Board and Executive Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Company.

1.2 The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of senior remuneration arrangements to enable the recruitment, motivation and retention of partners generally.

1.3 The Committee oversees arrangements for senior appointments (including election processes) and succession planning.

1.4 The Committee also assists the Board by reviewing and making recommendations in respect of the remuneration policies and framework for all staff.

2. Authority

2.1 The Nomination and Remuneration Committee is a Committee of the Board of Silco Pharmaceuticals Limited. ("the Board") from which it derives its authority and to which it regularly reports.

2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

2.3 The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee.

3. Constitution

3.1 Chairperson

3.1.1 The Chair of the Committee will be an at-large Non-Executive Board member appointed by the Board.

3.1.2 In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

3.1.3 The Committee Chair does not have a casting vote.

3.1.4 The Chair shall hand non-voting chairmanship of the Committee to the Independent Non-Executive attendee of the Committee, solely for the Committee's deliberation and determination of the Director's performance evaluation and remuneration.

3.2 Membership

3.2.1 The Committee will comprise at least three Non-Executive members.

3.2.2 One Independent Non-Executive shall be invited to attend all meetings of the Committee, but shall not be a voting member.

3.2.3 Members of the Committee shall be appointed by the Board on the recommendation of the Non-Executive Board Member; in the case of co-opted members, appointments shall be made by the Board on recommendation of the Chair of the Committee.

3.2.4 Non-Executive Members shall comprise a majority of the Committee at all times.

3.2.5 Members may be removed from the Committee at any time by the Board.

3.3 Duration of appointments

3.3.1 Unless otherwise determined by the Board, the duration of appointments of Non- Executive members of the Committee and of coopted members shall be for a period of up to three years which may be extended by the Board

3.4 Secretary

3.4.1 The Board Secretary or their nominee shall act as Secretary to the Committee and attend all meetings.

3.4.2 The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all members and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4. Proceedings of Meetings

4.1 Frequency of Meetings

4.1.1 The Committee shall meet at least one times a year and otherwise as required.

4.1.2 Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

4.2.1 Any two members or two-third members of the Committee may form a quorum, provided at least one at- large Non-Executive Board member is in attendance.

4.2.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4.2.3 In the event of difficulty in forming a quorum, Non-Executive Board members who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

4.3.1 Only the members of the Committee and other Non-Executive members of the Board have the right to attend Committee meetings.

4.3.2 In addition to one Independent Non-Executive, the following will be expected to attend Committee meetings on a regular basis:

a) Managing Director/other Director

b) Chief Financial Officer

c) Head of Administration and other departmental head

d) Board Secretary.

4.3.3 Any Director, officer or employee of the Company may attend at the invitation of the Chair of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chair of the Committee.

5. Responsibilities

The committee shall:

5.1 Nomination

5.1.1 oversee and support a formal, rigorous and transparent approach to senior appointments in the firm, including considering and making recommendations regarding appointments to leadership roles, as defined by the Board

5.1.2 review and approve appointments of Directors to Executive seats on the Board, on nomination by the Chairman;

5.1.3 consider and make recommendations regarding potential external Independent Non-Executives;

5.1.4 advise the Chairman (who shall consult with the Committee) in relation to other leadership or market-facing appointments, which are high profile or involve potential concerns that could have a material impact on the reputation of the firm, or as defined by the Board;

5.1.5 oversee the maintenance of an effective framework for succession planning including reviewing and commenting for succession planning for senior leadership roles;

5.1.6 in conjunction with the Independent Non-Executives, determine the criteria for candidacy for Directors' election as Non-Executive Members of the Board;

5.1.7 determine and oversee, in coordination with the Non-Executive Member and General Body, the election processes for at-large Non-Executive Members and shortlist nominees as candidates for election;

5.1.8 Form an Extended Nomination Committee, with additional co-opted members, attended by the Independent Non-Executives and chaired by the Non- Executive Member to determine and oversee the Chairman and Director Election process in coordination with the General Body and to shortlist nominees as candidates.

5.2 Remuneration

5.2.1 Review, approve and oversee the implementation of remuneration policies for all directors which are designed both to recognize in-year performance and to support the long term business strategy and values of Company as well as promote effective risk management;

5.2.2 establish a framework and determine criteria for the balance scorecard and Companies of the Director by which his/her performance is measured;

5.2.3 determine the remuneration of the Managing Director taking into account the evidence and feedback on his/her performance presented by the Non-Executive Member;

5.2.4 approve the remuneration of the Managing Director taking into account the assessment of his/her performance by the Chairman;

5.2.5 approve the remuneration of the other members of taking into account the assessment of their performance by the Chairman and Managing Director;

5.2.6 review remuneration and benefits arrangements, and make recommendations, in respect of any Director or senior employee that involve making material exceptions to policy, or material payments or guarantees outside the normal remuneration model, and be consulted by the Managing Director in respect of them;

5.2.7 oversee the implementation of the pay appeals process approved by the Board and determine appeals submitted to the Committee by Directors in respect of their benchmark remuneration;

5.2.8 Review and make recommendations, where appropriate, in respect of the remuneration policies and framework for all staff to ensure they support the strategic objectives, culture and values of the Company.

6. Reporting

6.1 Minutes of each Committee meeting will be disclosed at the next meeting of the Board unless there is privacy and confidentiality reasons that prevent disclosure beyond the members of the Committee. Periodically the Chair of the Committee shall report to the Board on matters within its duties and responsibilities.

6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of significant issues dealt with by the Committee.

6.3 The Committee shall work and liaise as necessary with other committees of the Board.

7. Governance and Resources

7.1 The Committee shall, via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.

7.2 The Committee shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfillment of its role and whether or not its annual plan of work is manageable.

7.3 The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions (liaising where relevant with other committees).

7.4 In order to ensure the integrity of its decision making, where the Committee is considering any proposal related to either the appointment to a leadership position, or the remuneration, of a Director who: (i) is a member of the Committee; or (ii) was within the previous 12 months a member of the Extended Nomination Committee for the chairman election, then the Committee shall co-opt at least one additional Non-Executive and one Independent Non-Executive (in a non-voting capacity) for the specific consultation and decision-making process and that discussion will be chaired by the Independent Non- Executive.

7.5 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent Body and other professional advisers and to invite them to attend meetings.

8. Terms of Reference

8.1 The Committee shall annually review its Terms of Reference and may recommend to the Board any amendments to its Terms of Reference.

***Terms of Reference approve/Revise by the Board on May 08, 2021**

Director's Responsibilities for Financial Report

The Directors are responsible for ensuring that the company keeps proper books of accounts of all the transactions and the financial statement for the year from July 01, 2020 to June 30, 2021 and gives a true and fair view of the state of affairs and profit for the year.

The directors also ensure that the financial statements have been prepared and presented in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of CharteredAccountants of Bangladesh and provide the information as required by the company Act 1994(Amended in 2020), Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Commission Rules 1987 and The Regulations, 2015 of the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

It ensures that the estimated and judgments relating to the financial statements were made on a prudent and reasonable basis, so that they reflect in a true and fair manner and reasonably present the Company's trues state of affairs.

The Company has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on regular basis. To augment those objectives, the Board of Directors has formed on Audit Committee as per code of governance of Bangladesh Securities and Exchange Commission (BSEC). The have performed theirresponsibilities without and undue interface from any of the Directors

Internal Audit and compliance Department of the Company conduct periodic audits to provedreasonableassurance that the established policies and procedures of the Company are consistently followed.

The Company has adequate resource to continueoperational existence for the foreseeable future and therefore, has continued to adopt the going concern basis in preparing the Accounts.

The Board of Directors confirms that international Accounting Standards (IAS) as adopted in Bangladesh by the Institute of CharteredAccountants of Bangladesh have been adhered to, subject to any material departure being disclosed and explained in the notes to the accounts.

The Directors also confirm that the annual reports together with Directors Report and the financial Statements have been prepared in compliance with law, rule and regulatory guidance.

The Auditors of the company, M/S. Ashraf Uddin & Co., Chartered Accountants, had carried out the Annual Audit to review on the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. The have also examined the financial statement made available by the management together with all the financial records, related data and minutes of Board, relevantpolicies and expressed opinion thereon.

Sd/-
Dr Md Badrul Haque Rukan
Managing Director

Sd/-
Tingku Ranjan Sarker
Company Secretary

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

Dated: December 26, 2021

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 2021

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 2021 have been prepared incompliance 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 2021 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)


MANAGING DIRECTOR







































MONEKA-10


Neurogin


SITOVA-20


Neurogin


SILCAL-O 400


SILCAL-O 740


Pepsi-20




CEFUSIL-500


SLONA-O.S




SITOVA-10


SLONA-2




NEOCLIZ




MIO-4


NAXSIL 500


CEFUSIL CV 500




AZOSIL 500






FEXSIL






Peplo 40


FEXSIL 180


CEFUSIL-500


KTM-10

Annexure – B

Report to the Shareholders of Silco Pharmaceuticals Ltd.
on
Compliance on the Corporate Governance Code
[As per condition No. 1(5)(xxvii)]

We have examined the compliance status to the **Corporate Governance Code** by **Silco Pharmaceuticals Ltd.** for the year ended on 30 June 2021. This Code relates to the Notification No. **Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80** dated 03 June 2018 issued under Section 2CC 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:

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

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

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

d) The Governance of the company is highly satisfactory.

05.12.2021

Date: 5 December 2021
Place: Dhaka

Mohammad Fakhrul Alam Patwary FCA
Managing Partner
M. Z Islam & Co.
Chartered Accountants

Annexure-B

Silco Pharmaceuticals Ltd.

Status of Compliance with the Corporate Governance Code (CGC)

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 (NBFI); 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 occured
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)	Qualification **of Independent Director**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with nancial 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 Ceriified Accountant or Ceriified 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 qualifcations 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.	✓		
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.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
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;	✓		
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);	✓		
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 ows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and nancial 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 certification 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) Complied	Not Complied	Remarks (if any)
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Of cer**			
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 comapny 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)		
		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 conficts 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 nds 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 rm 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

Auditors Report to the Shareholders

Independent Auditor's Report
To the Shareholders of Silco Pharmaceuticals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Silco Pharmaceuticals Limited** ('the company) which comprise the Statement of Financial Position as on 30th June, 2021 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

In our opinion, the financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) give a true and fair view of the financial position of **Silco Pharmaceuticals Limited** as of 30th June, 2021 and results of its financial performance and its cash flows for the year then ended & comply with the Companies Act 1994, & other applicable laws & regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 ethical requirement that is relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We refer to note no: 2.15(b) & 18 relevant to the implementation of sec 234 of Bangladesh Labour Act-2006 regarding Workers Profit Participation Fund (WPPF).The company discloses its status for WPPF provisioning, subsequent payment & contribution to 'Bangladesh Labour welfare Foundation' through designated government bank account as per requirement of Bangladesh Labour Act-2006. The Company's WPPF bank account held at Mercantile Bank Limited (Subidbazar Branch Acc No: 117912124312825). Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgments, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our 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.

1.Recognition of Revenue **Ref: Note 16**	
Key audit matters	**How our audit address the matter**
The company recognized revenue (Export Tk.2,272,283/- & Tk. 598,788,821/- local) Tk.601,061,104/- for the year.	-We clearly encoded the total procedure of sales process starting from receipt of customer order to realization of revenue.

Revenue recognition has significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing. As per IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service	-We tested the key controls over approval of sales order, signing off documents by appropriate personnel and input sales data into system in a complete & accurate manner. -On sample basis, we tested the work order proceed documents and other supporting like dispatch note, Invoice & receipt of final amount. We also reviewed the sales contract agreements with different buyer. -We tested the correctness of journal entries and recalculate the amount shown in sales ledger and make sure that the carry forward figure is accurate. -We carefully checked that, no unusual journal entries were made at the period end and also check the transactions/entries just before and after the balance sheet date to confirm cut off. -We also considered testing of some post balance sheet date invoices to make sure that the cut off dates are correct all reported revenues are relevant with current year.
2.Valuation of Inventory **Ref: Note 06**	
Key audit matters	**How our audit address the matter**
Closing inventory of Tk. 449,452,463/- represents 42.71% of current assets and almost 16.67% of total assets .The closing inventory figure have significant impact in determining the cost of goods sold. Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.	Our audit procedures were designed to challenge the adequacy of the company's provisions against inventory includes : -Corroborating on a sample basis that items on the stock aging listing by items were classified in the appropriate bracket. -Assessed the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the Directors on the extent to which old inventory can be sold through various channels. -Considered the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made

	in the current year; and -We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.
3.Capital Work in Progress **Ref: Note 05**	
Key audit matters	**How our audit address the matter**
In the year ended 30thJune, 2021 the company accounted for Capital Work in Progress (WIP) closing balance of Tk. 394,593,305 /- which represents 14.63 % of total asset of the Company. Current year addition is Tk. 274,514,078/- as Construction of Building and Tk. 97,356,000 as addition to Plant and Machinery. Total amount capitalized in current year is Tk. 220,794,489 (Building Construction).	Our audit approach includes but not limited to the followings: -We have checked that the correct account balances are carried forward in Capital Work in Progress account and calculate the mathematical accuracy of the total amount presented. -We reviewed the documents in support of the total amount of investment in capital project and make sure none of them is irrelevant with current year (cut off). -We inspected the physical existence of the assets capitalized in current year along with the verification of company's legal rights on those assets. -We evaluate the appropriateness of disclosures in financial statements.

Other Information

Management is responsible for the 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 the other information.

Our opinion on the financial statements does not cover the 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs 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.

Auditor's 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.

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.

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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
d) The expenditure incurred was for the purposes of the Company's business.

Md.Mohiuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2111301046AS110512

Place : Dhaka
Date : 23 November, 2021

The Financial Statement

Silco Pharmaceuticals Limited

Statement of Financial Position

As at June 30, 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
Assets			
Non Current Assets		**1,643,359,449**	**1,333,906,075**
Property, Plant and Equipment	3.00	1,241,146,404	1,090,388,358
Right of Use Assets	4.00	7,619,739	-
Capital Work in Progress	5.00	394,593,305	243,517,716
Current Assets		**1,052,230,886**	**1,324,761,125**
Inventories	6.00	449,452,463	454,710,108
Trade Receivables	7.00	390,532,203	484,990,001
Advance, Deposits and Prepayments	8.00	139,804,640	127,136,920
Cash and Cash Equivalents	9.00	53,031,144	101,969,302
Investment In Share	10.00	19,410,437	-
Fixed Deposit Receipts (FDR)	11.00	-	155,954,795
Total Assets		**2,695,590,335**	**2,658,667,201**
Shareholders Equity and Liabilities			
Shareholders Equity		**2,268,018,123**	**2,246,499,254**
Share Capital	12.00	1,038,070,000	1,038,070,000
Unrealized Gain/Loss on Marketable Securities		(369,919)	-
Retained Earnings	13.00	1,230,318,041	1,208,429,254
Non-Current Liabilities		**144,611,002**	**152,304,164**
Lease Liability (Non Current Portion)		4,112,546	
Deferred Tax Liability	14.00	140,498,457	152,304,164
Current Liabilities		**282,961,209**	**259,863,784**
Trade Payable	15.00	16,154,859	16,584,269
Lease Liability (Current Portion)	16.00	3,773,307	-
Payable to IPO Applicants		185,021	185,021
Creditors & Accruals	17.00	10,471,189	12,741,095
Liability for WPPF	18.00	10,735,596	6,254,023
Dividend Payable (Unclaimed)		1,234,260	482,136
Current Tax Liability	19.00	240,406,977	223,617,239
Total Shareholders Equity and Liabilities		**2,695,590,335**	**2,658,667,201**
Net Asset Value (NAV) per Share	27.00	**21.85**	**21.64**

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

Chairman Managing Director Company Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Md.Mohiuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2111301046AS110512

Date: Dhaka
November 23, 2021

Silco Pharmaceuticals Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		01/07/2020 to 30/06/2021	01/07/2019 to 30/06/2020
Turnover	20.00	601,061,104	733,651,005
Less: Cost of Goods Sold	21.00	432,666,459	520,924,861
Gross Profit		**168,394,645**	**212,726,144**
Less: Operating Expenses	22.00	84,523,970	110,219,997
Profit from Operation		**83,870,675**	**102,506,147**
Less: Financial Expenses	23.00	446,948	997,464
Less: Financial Expenses (Lease)		763,788	
Non-operation Income	24.00	11,453,082	14,937,071
Profit before Contribution to WPPF		**94,113,021**	**116,445,754**
Less: Workers' Profit Participation/Welfare Fund (WPPF)		4,481,572	5,545,036
Profit before Income Tax		**89,631,449**	**110,900,718**
Less: Provision for Income Tax	25.00	**4,984,031**	**27,725,180**
Current Tax		16,789,738	22,868,267
Deferred Tax		(11,805,707)	4,856,913
Net Profit after Tax (Transferred to CE)		**84,647,417**	**83,175,539**
Other Comprehensive Income:			
Unrealized Gain/Loss on Investment		(369,919)	-
Total Comprehenshive income		**84,277,499**	**83,175,539**
Earnings per Share (EPS)	26.00	**0.82**	**0.80**

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

Chairman | Managing Director | Company Secretary

Md.Mohiuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2111301046AS110512

Date: Dhaka
November 23, 2021

Silco Pharmaceuticals Limited

Statement of Changes in Equity

For the year ended 30 June 2021

(Amount in Taka)

Particulars	Ordinary Share Capital	Unrealized Gain/Loss on Marketable Securities	Retained Earnings	Total
Balance as at July 01, 2020	1,038,070,000	-	1,208,429,254	2,246,499,254
Declared 10% Cash Dividend			(62,758,630)	(62,758,630)
Net Profit/(Loss) during the year	-	-	84,647,417	84,647,417
Unrealized Gain/Loss on Marketable Shares	-	(369,919)		(369,919)
Balance as on June 30, 2021	**1,038,070,000**	**(369,919)**	**1,230,318,041**	**2,268,018,123**

Statement of Changes in Equity

For the year ended 30 June 2020

(Amount in Taka)

Particulars	Ordinary Share Capital	Unrealized Gain/Loss on Marketable Securities	Retained Earnings	Total
Balance as at July 01, 2019	943,700,000	-	1,238,497,715	2,182,197,715
Issue of Share Capital through 10% Stock Dividend	94,370,000	-	(94,370,000)	-
Declared 2% Cash Dividend		-	(18,874,000)	(18,874,000)
Net Profit/(Loss) during the year	-	-	83,175,539	83,175,539
Balance as on June 30, 2020	**1,038,070,000**	**-**	**1,208,429,254**	**2,246,499,254**

Chairman Managing Director Company Secretary

Date: Dhaka
November 23, 2021

Silco Pharmaceuticals Limited

Statement of Cash Flows

For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		01/07/2020 to 30/06/2021	01/07/2019 to 30/06/2020
A. Cash Flows from Operating Activities			
Cash received from Customers		695,518,902	738,647,728
Cash received from Non-operating income		11,031,343	14,937,071
Cash Paid to Suppliers		(296,327,348)	(418,731,735)
Cash Paid to Employees		(68,562,095)	(68,662,343)
Cash Paid to Others		(69,056,428)	(113,266,706)
Financial Expenses		(446,948)	(997,464)
Income Tax Paid		(14,952,420)	(5,320,655)
Net cash flows from operating activities		**257,205,006**	**146,605,895**
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment		(4,555,216)	(46,268,881)
Cash Received/Payments to/from FDR		155,954,795	(5,954,795)
Cash Payments for Capital Work-in-Progress		(371,870,078)	(123,782,423)
Gain on Investment		421,739	-
Investment in Share		(19,780,355)	-
Net cash used in investing activities		**(239,829,115)**	**(176,006,098)**
C. Cash Flows from Financing Activities			
Refund to IPO Applicants		-	(1,957,989)
Financial Expenses (Lease)		(763,788)	-
Principle payment (Lease)		(3,543,756)	-
Cash dividend paid 10%		(62,006,506)	(18,391,864)
Net Cash used for financing activities		**(66,314,050)**	**(20,349,853)**
D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)		**(48,938,158)**	**(49,750,056)**
E. Cash and Cash Equivalents at the beginning of the year		101,969,302	151,719,359
F. Cash and Cash Equivalents at the end of the year (D+E)		**53,031,144**	**101,969,302**
Net Operating Cash Flows Per Share (NOCFPS)	28.00	**2.48**	**1.41**

Chairman Managing Director Company Secretary

Date: Dhaka
November 23, 2021

Silco Pharmaceuticals Limited

Notes, comprising a summary of significant accounting policy and other explanatory information
As at and for the year ended 30 June 2021

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. The company listed with Dhaka and Chittagong stock exchange on 25 April 2019 & 30th April 2019.

1.02 Address of the Registered Office

The registered office of the company is located at 41, Nurani, Bankalapara, 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 In Flammatory Drugs, Anti ulcerants, Multi medicines which are sold in local market and in international markets respectively.

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 103,807,000 ordinary shares of Tk. 10/= each fully paid-up	1,038,070,000

1.05 Production Unit

The production unit of the company is situated at BSCIC industrial Estate, Khadimnagor, 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".

2.02 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 and Supplementary Duty Act 2012;
The Value Added Tax and Supplementary Duty Rules 2016;
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 (IASs and IFRSs)

The following IASs and IFRSs are applicable for preparation of financial statements for the year ended 30 June 2021.

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	Properties, Plant and Equipment;
IAS 19	Employee Benefits;
IAS 21	The Effects of Changes in Foreign Exchanges Rates;
IAS 23	Borrowing Costs;
IAS 24	Related Party Disclosures;
IAS 33	Earnings per Share;
IAS 36	Impairment of Assets;
IAS 37	Provisions, Contingent Liabilities and Contingent Assets;

IFRSs:

IFRS 1	First time Adoption of International Financial Reporting Standards;
IFRS 8	Operating Segments;
IFRS 9	Financial Instruments;
IFRS 13	Fair Value Measurement;
IFRS 15	Revenue from Contracts with Customers;
IFRS 16	Leases;

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 Going Concern

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there is no material uncertainties related to event or condition which may cast significant doubt upon the company's ability to continue as a going concern.

2.09 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, 2021;
ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2021;
iii) Statement of Changes in Equity for the year ended June 30, 2021;
iv) Statement of Cash Flows for the year ended June 30, 2021; and
v) Notes, comprising a summary of significant accounting policy and other explanatory information for the year ended June 30, 2021.

2.10 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 is 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, 2021	As at 30 June, 2020
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.

v) Impairment:

In accordance with the provision of IAS 36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year.

2.11 Valuation of Inventory

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realizable value as per IAS 2: Inventory. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value. Net realizable 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

The company made provision for WPPF in line with section 234 (a) chapter-XV (Workers 'participation in Companies Profits) of Bangladesh Labour Act-2006 and complied with section 234 (b). Transfer of the amount to a separate bank account is under process. The management of the company tried to disburse the amount to workers through banking channel but in fact, it was very hard to find a separate bank account of all the workers. Considering circumstance and requirement for compliance with chapter-XV section 234 (a) & (b) of Bangladesh Labour Act-2006,

Due to COVID-19 situation the company was facing problems to continue day to day operation. The workers who were entitled to WPPF were paid for two consecutive year (2019 & 2020) in September, 2021.The company had also made the contribution to 'Bangladesh Labour welfare Foundation' through designated government bank account as per requirement of Bangladesh Labour Act-2006.

2.16 Income Tax

i) Current Tax

Provision for taxation has been made as per rates prescribed in Finance Act 2021 and the Income Tax Ordinance, 1984 on the profit made by the company.

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.

The company assumes no other temporary difference that may result in deferred tax asset/liability except Property, plant and Equipment.

2.17 VAT

Company's 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.

2.18 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.

2.19 Revenue recognition

"As per IFRS-15: "Revenue from Contracts with Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

a) The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to performing their respective obligations;
b) The entity can identify each party's rights regarding the goods or services to be transferred;
c) The entity can identify the payment terms for the goods or services to be transferred;
d) The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
e) It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer."

Considering the five steps model, the Company recognizes revenue at the time of delivery when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

Sale of goods
The revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer provides assurance on the delivery of goods. The revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

2.20 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.

2.21 Repairs, upkeep and maintenance charges
These are usually charged out as revenue expenditure in the year in which it is incurred.

2.22 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.

2.23 Earnings per Share (EPS)
The Company calculates its Earning per Share (EPS) in accordance with ***IAS 33"Earnings per Share"*** which has been shown on the face of Statement of Comprehensive Income and the computation of EPS.

Basic Earnings
This represents earnings for the period attributable to the ordinary shareholders. As there are no preference dividends, minority interest or extra ordinary items, the net profit for the period has been considered as fully attributable to ordinary shareholders.

Basic Earnings Per Share
Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the Period.

Diluted Earnings per Share
Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these Financial Statements as there were no potential ordinary shares during the relevant year.

Weighted Average Number of Ordinary Shares outstanding during the year
The basis of computation of number of shares in line with the provisions of IAS-33: Earnings per share. Therefore, the total number of shares outstanding at 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.

2.25 Date of Authorization
The Board of Directors of **Silco Pharmaceuticals Limited** approved this Financial Statements on 23 November, 2021.

2.26 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.

2.27 Statement of Cash flows
Statement of Cash Flows is prepared principally in accordance with IAS-7 "**Statement of Cash Flows**" and the cash flows from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987 and considering the provision of paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method". We also provide cash flows from operating activities using the Indirect Method as well in notes to the Financial Statements.

2.28 Reporting period
The financial period of the Company covers 1 (one) year from 1st July 2020 to 30th June 2021.

2.29 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.

2.30 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 counterparty 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.

2.31 Capital Work in Progress

Property, plant and equipment under construction/ acquisition are accounted for as capital work-in-progress until construction/ acquisition is complete and measured at cost. As the capital work in process has not yet been finished and is not contributing to the production process to generate revenue, depreciation is not applied for capital work in process as per Generally Accepted Accounting Principles (GAAPs- revenue and expense recognition principle).

2.32 Significant accounting policies

(i)Financial Instruments

At initial recognition as per IFRS-9 Financial Instrument, an entity shall measure a financial asset or financial liability as its fair value plus or minus (in the case of a financial asset or a financial liability not at fair value through profit or loss) the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition (subsequent measurement) an entity shall measure a financial asset or financial liability in either of the following subject to specific circumstance specified in the standard (sec 4.1.1- 4.1.5)& (4.2.1-4.2.2):

i. amortized cost;
ii. fair value through other comprehensive income;
iii. fair value through profit or loss.

The entity shall recognize loss allowance or Expected Credit Loss (impairment requirement). At each reporting date the entity account for the impairment of financial assets or financial liability in the following manner:

I. an amount equal to the lifetime expected credit loss (if the credit risk of the instrument has increased significantly since initial recognition)
II. an amount equal to the 12 (twelve) month expected credit loss (if the credit risk of the instrument has not increased significantly since initial recognition)

(ii)Leases

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

I. Period covered by the option to extend the lease and;
II. Period covered by the option to terminate the lease.

Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model.

The company disclosed the impact of IFRS-16 of numerical amount and disclosures in the financial statement in Annexure-D.

(iii)Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.IFRS 17 established the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts.

The company has not yet assessed in potential impact of IFRS 17 on its financial statements.

2.33 Bad and Doubtful Debts

The Management recognized the bad and doubtful debts when a debt is unrecoverable through Board of Directors' approved. Since, the management made sales through 100% confirms order by the customers and duly collected by the marketing team. Hence, no bad debts had occurred and therefore no provision was made against the receivables.

2.34 Implication of COVID-19 on our business

The COVID-19 pandemic has developed rapidly in 2020 leaving its trail till June, 2021 . The company managed to overcome the situation. The management has taken required steps to restore regular production capacity and sales considering the health and safety issues.

COVID-19 is not expected to have a significant impact on the entity. Management has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. There exists stable growth of the financial indicators of the company.

2.35 General

i. Wherever considered necessary, previous period's figures have been rearranged for the purpose of comparison.

Previous year's figure has been rearranged wherever considered necessary to confirm to current year's presentation.

Notes No.	Particulars	Amount in Taka	
		30 June, 2021	30 June 2020
3.00	**Property, Plant and Equipment**		
	Opening Balance	1,869,159,996	1,822,891,115
	Add: Addition during the year	225,349,705	46,268,881
	Total Cost (a)	**2,094,509,701**	**1,869,159,996**
	Opening Balance	778,771,637	700,086,436
	Add: Depreciation Charged for the year	74,591,659	78,685,201
	Total Accumulated Depreciation (b)	**853,363,297**	**778,771,637**
	Written Down Value as at June 30, 2021 (a-b)	**1,241,146,404**	**1,090,388,358**
	The details of above has been shown in Annexure- 'A'		
4.00	**Right of Use Assets**		
	Opening Balance	-	
	Add: Addition during the year	11,429,609	
	Total Cost (a)	**11,429,609**	
	Opening Balance	-	
	Add: Depreciation Charged for the year	3,809,870	
	Total Accumulated Depreciation (b)	**3,809,870**	
	Written Down Value as at June 30, 2021 (a-b)	**7,619,739**	
	The details of above has been shown in Annexure- 'C'		
5.00	**Capital Work in Progress**		
5.01	**Construction of Building**		
	Opening Balance	243,517,716	119,735,293
	Add: Addition during the year	274,514,078	123,782,423
	Total:	**518,031,794**	**243,517,716**
	Less: Transfer to fixed assets during the year	220,794,489	-
	Total:	**297,237,305**	**243,517,716**
5.02	**Plant and Machinery**		
	Opening Balance	-	
	Add: Addition during the year	97,356,000	
	Total:	**97,356,000**	**-**
	Less: Transfer to fixed assets during the year	-	-
	Total:	**97,356,000**	**-**
6.00	**Inventories**		
	Raw Materials (Note-21.01)	194,015,190	210,943,022
	Packaging Materials (Note-21.02)	13,415,155	18,632,738
	Work in Process (Note-21.00)	10,872,509	17,997,426
	Finished Goods (Note-21.00)	225,905,948	201,984,563
	Store Items (Note-21.03.01)	5,243,661	5,152,359
		449,452,463	**454,710,108**

Notes No.	Particulars	Amount in Taka	
		30 June, 2021	30 June 2020
7.00	**Trade and Other Receivable**		
	Trade Receivable	390,532,203	484,990,001
		390,532,203	**484,990,001**
	Ageing of the above Trade Receivable is given below:		
	More than six months	24,523,168	37,378,942
	Less than six months	366,009,035	447,611,059
		390,532,203	**484,990,001**

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	390,532,203	484,990,001
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	-	-

8.00	**Advance, Deposit & Prepayments**		
	Advances (Note-8.01)	138,017,272	125,349,552
	Deposits (Note-8.02)	1,576,827	1,576,827
	Prepayments (Note-8.03)	210,541	210,541
		139,804,640	**127,136,920**
8.01	**Advances**		
	Advance to Employee	4,957,621	5,000,000
	Advance to Supplier	42,695,838	50,799,552
	Advance Income Tax (Note-08.01.01)	55,883,065	40,930,645
	L/C Margin	29,856,487	27,253,044
	VAT Current A/C.	3,164,738	7,315
	Others	1,459,523	1,358,995
		138,017,272	**125,349,552**
08.01.01	**Advance Income Tax**		
	Opening Balance	40,930,645	35,609,990
	AIT Paid during the period	14,952,420	5,320,655
		55,883,065	**40,930,645**
8.02	**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**
8.03	**Prepayments**		
	Office Rent	210,541	210,541
		210,541	**210,541**

Notes No.	Particulars	Amount in Taka	
		30 June, 2021	30 June 2020
9.00	**Cash and Cash Equivalent**		
	Cash in hand	12,042,345	4,545,684
	Cash at Bank (Note- 9.01)	40,988,799	97,423,618
		53,031,144	**101,969,302**
9.01	**Cash at Bank**	**40,988,799**	**97,423,618**
09.01.01	**Cash at Bank:**		
	Bank Asia CD# 01033005988	28,711,030	1,468,947
	City Bank Ltd., CD-402434003001	-	108
	City Bank Ltd., CD-3102434003001	1,234,260	148,327
	Bank Asia CD# 01036000766	42,089	20,775,628
	Pubali Bank Ltd., A/C No. C/D-28369010177223	2,463,585	5,428,867
	AB Bank Ltd., A/C No. C/D-4111-043420-000	33,151	34,531
	DBBL, A/C No. C/D-201.110.6703	933,172	950,096
	Pubali Bank Ltd., A/C No. C/D-3486901021357	2,340,372	10,718,885
	Prime Bank Ltd., A/C No. C/D-80025295/3115312009636	1,649,086	4,555,976
	Prime Bank Ltd., A/C No. C/D-60020426/3115111005507	2,672,368	22,017,518
	Standard Bank Ltd., A/C No. C/D-11033004387	587,164	294,591
	Total:	**40,666,277**	**66,393,473**
09.01.02	**IPO Fund:**		
	EBL_ Principal Branch _BDT_A/C_1011360531186	33,396	30,845,125
	EBL_ Principal Branch_USD_A/C_1013050531221	150,364	150,511
	EBL_ Principal Branch_EURO_A/C_1013070531196	34,509	34,509
	EBL_ Principal Branch_GBP_A/C_1013060531210	-	-
	Total:	**218,270**	**31,030,145**
09.01.03	**Balance of Portfolio :**		
	AB Scurities-Portfolio Code 08348	40,872	-
	City Borkarage-Portfolio Code C12003	63,380	-
	Total:	**104,252**	**-**
10.00	**Investment In Share:**		
	EASTLAND	7,700,000	-
	FEDERALINS	798,000	-
	KARNAPHOLI	866,000	-
	PEOPLESINS	616,200	-
	EASTLAND	8,096,550	-
	IFICBL	1,333,500	-
	SONALILIFE	187	-
	Total:	**19,410,437**	**-**
	The Company recognised its investment considering fare value i. e. market value on 30 June 2021.		
11.00	**Fixed Deposit Receipts (FDR):**		
	City Bank_Ambarkhana_'4432434003002 to 4432434003016	-	155,954,795
	Total:	**-**	**155,954,795**

Notes No.	Particulars	Amount in Taka	
		30 June, 2021	30 June 2020
12.00	**Share Capital**		
12.01	**Authorized Share Capital**		
	105,000,000 ordinary shares of Tk. 10/= each.	**1,050,000,000**	**1,050,000,000**
12.02	**Issued, Subscribed and Paid-up Share Capital**		
	103,807,000 ordinary shares of Tk. 10/= each fully paid-up	1,038,070,000	943,700,000
	Add: 10% Stock Dividend Declared during the year	-	94,370,000
	103,807,000 ordinary shares of Tk. 10/= each fully paid-up	**1,038,070,000**	**1,038,070,000**

The shareholding position at the end of the year as on June 30, 2021 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	40,608,370	406,083,700	39.1191%	39.1191%
Government	-	-	-	-
Institution	18,414,369	184,143,690	17.7390%	17.7390%
Foreign	-	-	0.0000%	0.0000%
General Public	44,784,261	447,842,610	43.1419%	43.1419%
Total	**103,807,000**	**1,038,070,000**	**100%**	**100%**

The range of shareholdings are shown below:

SL No	Shareholding Range	No. of Shareholders	No. Of Shares	Percentage
1	Upto 100 Shares	446	14,589	0.0142%
2	From 101 to 500 Shares	451	153,149	0.1476%
3	From 501 to 1,000 Shares	1,140	767,823	0.7398%
4	From 1,001 to 10,000 Shares	849	3,708,680	3.5728%
5	From 10,001 to 20,000 Shares	194	2,787,655	2.6855%
6	From 20,001 to 50,000 Shares	105	3,402,424	3.2716%
7	From 50,001 to 1,00,000 Shares	73	6,115,124	5.8910%
8	From 100,001 to 10,00,000 Shares	92	18,967,148	18.2717%
9	From 10,00,001 to 50,00,000 Shares	16	42,529,850	40.9702%
10	From 50,00,001 to 1,00,00,000 Shares	2	11,430,015	11.0109%
11	From 1,00,00,001 and above Shares	1	13,930,543	13.4198%
Total:		**3,369**	**103,807,000**	**100.00%**

13.00	**Retained Earnings**		
	Opening balance	1,208,429,254	1,238,497,715
	Add: Profit during the year	84,647,417	83,175,539
	Total:	**1,293,076,671**	**1,321,673,254**
	Less: Stock Dividend 10%	-	(94,370,000)
	Less: Cash Dividend 10%	(62,758,630)	(18,874,000)
	Closing Balance	**1,230,318,041**	**1,208,429,254**
		-	
14.00	**Deferred Tax Liabilities**		
	WDV as Accounting base	1,241,146,404	1,090,388,358
	WDV as Accounting base (ROU)	7,619,739	
	WDV as per Tax base	(616,653,246)	(481,171,703)

Notes No.	Particulars	Amount in Taka	
		30 June, 2021	30 June 2020
	Lease Obligation*	(7,675,312)	
	Temporary Difference	**624,437,586**	**609,216,655**
	Applicable Tax Rate	22.50%	25.00%
	Deferred Tax Closing Balance	**140,498,457**	**152,304,164**
	***Lease Obligation**		
	Lease Liability as on 30 June 2021	7,885,853	-
	Less: Advance	(210,541)	-
		7,675,312	-
15.00	**Trade and Other Payable**		
	Trade Payable	16,154,859	16,584,269
		16,154,859	**16,584,269**
16.00	**Lease Liability**		
	Opening balance	-	-
	Add: Addition during the year (Principle)	11,429,609	-
	Add: Addition during the year (Interest)	763,788	-
	Less: Paid during the year	(4,307,544)	-
		7,885,853	-
	Less: Curent Portion	(3,773,307)	-
	Total	**4,112,546**	-
17.00	**Creditors & Accruals**		
	Electricity, Gas & Water Bills	474,349	633,519
	Salary & Wages	5,649,993	6,473,725
	Director Remuneration	45,000	45,000
	Sundry Creditors	3,956,847	4,126,524
	Audit Fees	345,000	345,000
	Rent Payable	-	1,117,327
		10,471,189	**12,741,095**
18.00	**Liability for WPPF**		
	Opening Balance	6,254,023	7,089,876
	Add: Addition during the year	4,481,572	5,545,036
		10,735,596	**12,634,912**
	Less: Paid during the year*	-	6,380,888
		10,735,596	**6,254,023**
19.00	**Current Tax Liability**		
	Opening Balance	223,617,239	200,748,972
	Add: Charge for the year (Note-21.01)	16,789,738	22,868,267
		240,406,977	**223,617,239**

Notes No.	Particulars	Amount in Taka	
		2020-2021	2019-2020
20.00	**Turnover**		
	Sales of Finished Goods (Local Sales)	598,788,821	733,651,005
	Sales of Finished Goods (Export Sales)	2,272,283	-
		601,061,104	**733,651,005**
21.00	**Cost of Goods Sold**		
	Raw materials Consumed	235,936,417	260,928,329
	Packaging materials consumed	80,436,022	103,706,834
	Total materials consumption	**316,372,439**	**364,635,163**
	Add: Work in process-Opening	17,997,426	18,008,086
	Less: Work in process-Closing	10,872,509	17,997,426
	Total consumption	**323,497,356**	**364,645,823**
	Add: Factory Overhead	136,199,350	164,043,132
	Cost of production	**459,696,706**	**528,688,955**
	Add: Finished goods-Opening	201,984,563	199,193,684
	Production available for Sales	**661,681,269**	**727,882,639**
	Less: Finished goods-Closing	225,905,948	201,984,563
	Less: Sample Expenses	3,108,862	4,973,215
	Cost of Goods Sold	**432,666,459**	**520,924,861**
21.01	**Raw materials consumed**		
	Opening Stock	210,943,022	190,921,454
	Add: Purchase during the year	219,008,586	280,949,897
	Raw materials available for production	**429,951,607**	**471,871,351**
	Less: Closing Stock	194,015,190	210,943,022
		235,936,417	**260,928,329**
21.02	**Packaging Materials Consumed**		
	Opening Stock	18,632,738	13,798,229
	Add: Purchase during the year	75,218,439	108,541,343
	Consumable Item available for packing	**93,851,177**	**122,339,572**
	Less: Closing Stock	13,415,155	18,632,738
		80,436,022	**103,706,834**
21.03	**Factory Overhead**		
	Salary, Wages & allowance	23,253,877	26,396,773
	Festival Bonus	-	1,182,544
	Medical Expenses	608,954	983,866
	Food & Tiffin	1,468,894	3,096,352
	Labor Charge	2,537,295	4,444,313
	Research & Development	1,615,296	2,915,917
	Carrying Charge	5,141,252	8,619,720
	Fuel & Oil	8,941,619	12,526,902
	Postage, Telephone & Fax	576,450	813,506
	Printing and Stationary	3,195,981	5,182,383
	Rent (Warehouse)	6,825,288	9,100,385
	Repairs & Maintenance	2,912,013	3,759,643
	Electricity, Gas & Water Bills	4,155,791	6,080,522
	Store items (21.03.01)	3,922,460	4,344,069
	Other Overhead	928,020	632,151
	Depreciation (Annexure-A)	70,116,160	73,964,089
		136,199,350	**164,043,132**

Notes No.	Particulars	Amount in Taka	
		2020-2021	2019-2020
21.03.1	**Store Items**		
	Opening Balance	5,152,359	4,104,237
	Add: Purchase during the year	4,013,762	5,392,191
	Total:	**9,166,121**	**9,496,428**
	Less: Consumption during the year	3,922,460	4,344,069
	Closing Balance	**5,243,661**	**5,152,359**
22.00	**Operating Expenses**		
	Administrative Expenses (Note-22.01)	18,355,799	19,767,248
	Selling & Distribution Expenses (Note-22.02)	66,168,171	90,452,749
		84,523,970	**110,219,997**
22.01	**Administrative Expenses**		
	Salary & Allowance	12,456,362	12,939,373
	Director Remuneration (MD)	540,000	540,000
	Postage, Telephone & Fax	139,778	186,380
	Traveling & Conveyance Expenses	611,024	770,021
	Repair & Maintenance	282,813	406,530
	Electricity, Fuel & Water	467,964	531,822
	Printing and Stationery	606,063	714,924
	Rent (Office)	-	1,025,482
	Subscription & Donation	127,446	272,597
	Entertainment	199,076	265,547
	Training Expense	102,382	130,497
	Audit Fee	345,000	345,000
	Miscellaneous Expenses	29,690	50,277
	Newspaper & Periodical	49,363	15,095
	Depreciation (Annexure-A)	1,491,833	1,573,704
	Depreciation (Annexure-B-ROU)	907,004	
		18,355,799	**19,767,248**
22.02	**Selling & Distribution Expenses**		
	Salary & Allowance	31,530,504	37,820,176
	Transportation and Handling Expenses	6,020,853	8,209,184
	Repair and Maintenance	348,655	404,468
	Food Allowance	2,380,684	4,523,484
	Office and Store Rent	-	3,282,056
	Delivery Expenses	2,672,079	4,152,604
	Advertisement	495,202	705,721
	Postage, Telephone & Fax	1,224,103	1,719,159
	Electricity, Water and Gas	688,055	940,685
	Sales promotion expenses	6,970,225	11,359,876
	Traveling & Conveyance Expenses	1,174,539	2,404,349
	Entertainment Expenses	978,105	1,908,434
	Training Expense	1,407,172	2,981,744
	Samples Expenses	3,108,862	4,973,215
	Printing & Stationery	621,975	954,763
	Miscellaneous Expenses	660,628	965,423
	Depreciation (Annexure-A)	2,983,666	3,147,408
	Depreciation (Annexure-B-ROU)	2,902,866	-
		66,168,171	**90,452,749**
23.00	**Financial Expenses**		-
	Bank Charges Expenses	446,948	997,464
		446,948	**997,464**
24.00	**Non-operating Income**		
	Interest Income (FDR and Bank)	6,123,244	14,580,179
	Realized gain on Sale of Share	421,739	
	Realized gain on export proceed	2,678	
	Sales of Wastage	3,363,121	356,892
	Sale of Sand	1,542,300	
		11,453,082	**14,937,071**

Notes No.	Particulars	Amount in Taka	
		2020-2021	2019-2020
25.00	**Income Tax Expenses/(Income)**		
	Current Tax (Note-25.01)	16,789,738	22,868,267
	Deferred Tax (Note-25.02)	(11,805,707)	4,856,913
		4,984,031	**27,725,180**
25.01	**Current Tax**		
	A. Regular Tax		
	Profit before Tax	89,631,449	110,900,718
	Add: Depreciation as Accounting base	74,591,659	78,685,201
	Add: Interest on Lease	763,788	
	Add: Depreciation as Accounting base (ROU Assets)	3,809,870	
	Total:	**168,796,765**	**189,585,919**
	Depreciation as per Tax base	(89,868,162)	(98,112,851)
	Lease Payment	(4,307,544)	
	Taxable Profit	**74,621,059**	**91,473,068**
	Income Tax Rate	22.50%	25.00%
	Current Tax for the year	**16,789,738**	**22,868,267**
25.02	**Deferred Tax**		
	Deferred Tax Liability Closing (Note-14.00)	140,498,457	152,304,164
	Deferred Tax Liability Opening	152,304,164	147,447,251
	Deferred Tax Expenses/(Income) during the year	**(11,805,707)**	**4,856,913**
26.00	**Earnings Per Share (EPS)**		
	a) Net Profit after Tax	84,647,417	83,175,539
	b) Total Number of Share outstanding	103,807,000	103,807,000
	Earnings Per Share (EPS) (a/b)	**0.82**	**0.80**
27.00	**Net Asset Value (NAV) Per Share**		
	Total Assets	2,695,590,335	2,658,667,201
	Less: Total Liabilities	427,572,212	412,167,948
	A. Net Asset Value (NAV)	**2,268,018,123**	**2,246,499,253**
	B. Total Number of Share outstanding	103,807,000	103,807,000
	Net Asset Value (NAV) Per Share (A/B)	**21.85**	**21.64**
28.00	**Net operating cash flow per share (NOCFPS)**		
	a) Net Operating Cash Flows	257,205,006	146,605,895
	b) Weighted average number of shares outstanding	103,807,000	103,807,000
	Net operating cash flow per share (NOCFPS) (a/b)	**2.48**	**1.41**

28.01 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 08 August 2018.

Particulars	Amount in (Tk.)	
	Jun 30, 2021	Jun 30, 2020
Net Profit before Tax	89,631,449	110,900,718
Adjustments to reconcile net income to net cash provided by operating activities:	-	-
Depreciation on Fixed Assets	78,401,529	78,685,201
Interst on lease	763,788	-
Gain on Investment	(421,739)	-
Increase in Inventories	5,257,645	(28,684,417)
Increase in Trade Receivables	94,457,798	4,996,723
Increase in Advance, Deposits and Prepayments	2,284,700	(13,814,098)
Increase in Creditors & Accruals	(2,269,906)	(188,365)
Increase in Liabilities for WPPF	4,481,572	(835,852)
Decrease in Trade Payables	(429,410)	866,642
Income tax paid	(14,952,420)	(5,320,655)
Net Cash Generated from Operating Activities	**257,205,006**	**146,605,895**
Net Cash Generated from Operation Activities (direct Method)	**257,205,006**	**146,605,895**
Difference	**NIL**	**NIL**

Notes No.	Particulars	Amount in Taka	
		2020-2021	2019-2020

29.00 Information as per the Companies Act, 1994

29.01 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 Directors	Designation	Transaction during the period	Provision for doubtful debts	Outstanding as on June 30, 2021	Outstanding as on 30 June 2020
Dr. Md. Badrul Haque Rukan	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

29.02 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 period 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 period.;	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

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

Particulars	Nature of Payment	01/07/2020 to 30/06/2021	01/07/2019 to 30/06/2020
Directors (Managing Director)	Remuneration	540,000	540,000
Officers and Executives	Salary and other Allowances	12,456,362	12,939,373
Total		**12,996,362**	**13,479,373**

Notes No.	Particulars	Amount in Taka	
		2020-2021	2019-2020

30.00 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 01.07.2020 to 30.06.2021, there were 04 (Four) 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		4	3
Dr. Md Badrul Haque Rukan		Managing Director		4	4
Dr. Md. Azizur Rahman		Director		4	4
Dr. Gulshan-E-Jahan		Director		4	3
Dr. Md. Harunur Rashid		Director		4	4
Dr. Mahmudul Majid		Director		4	4
Prof. Dr. Faisal Ahmed		Director		4	4
Prof. Dr. Md Abul Ahbab		Independent Director		4	4
Prof. Dr. Md. Rezaul Karim		Independent Director		4	4
Dr. Iqbal Hossain Chowdhury		Independent Director		4	3

31.00	**Received from Customers**		
	Sales during the year	601,061,104	733,651,005
	Add: Opening Receivables	484,990,001	489,986,724
	Less: Closing Receivables	390,532,203	484,990,001
	Total	**695,518,902**	**738,647,728**
32.00	**Paid to Suppliers**		
	Purchase during the year	298,240,786	394,883,431
	Add: Opening Payables	16,584,269	15,717,627
	Less: Closing Payables	16,154,859	16,584,269
	Add: Closing Advance to Supplier	75,717,063	78,059,911
	Less: Opening Advance to Supplier	78,059,911	53,344,964
		296,327,348	**418,731,735**
33.00	**Paid to Employees**		
	Salary, Wages Including Bonus	67,780,743	78,878,866
	Add: Opening Payables	6,518,725	7,529,563
	Less: Closing Payables	5,694,993	6,518,725
	Add: Closing Advance to Employee	4,957,621	5,000,000
	Less: Opening Advance to Employee	5,000,000	16,227,360
	Total	**68,562,095**	**68,662,343**
34.00	**Paid to Others**		
	Manufacturing overhead	109,023,012	132,119,747
	Administrative Expenses	5,359,437	6,287,875
	Selling Expenses	34,637,667	52,632,573
	WPPF	4,481,572	5,545,036
	Add: Opening WPPF Payables	6,254,023	7,089,876
	Less: Closing WPPF Payables	10,735,596	6,254,023
	Add: Opening Payables	6,222,370	5,399,897
	Less: Closing Payables	4,776,196	6,222,370
	Add: Closing Advance	3,246,891	3,146,363
	Less: Opening Advance	3,146,363	2,819,851
	Less: Sample Expenses	3,108,862	4,973,215
	Less: Depreciation (Fixed Assets)	74,591,659	78,685,201
	Less: Depreciation (ROU)	3,809,870	-
	Total	**69,056,428**	**113,266,706**

35.00 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	152,392,878	54.43%
Capsules	Pcs.	150,000,000	70,344,257	46.90%
Liquid Syrup	Bottles	4,000,000	2,896,143	72.40%
Dry Surup	Bottles	1,000,000	494,075	49.41%
Pellet	Kg	300,000	126,948	42.32%
Powder	Phials	1,000,000	470,845	47.08%
Powder of Suspension	Bottles	500,000	388,183	77.64%
SRS Saline	Pcs.	20,000,000	17,825,364	89.13%
Total		**456,800,000**	**244,938,693**	**53.62%**

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

Employee Position (as on June 30, 2021)

Salary Range	Officer & Staff		Marketing Staff	Total Employee
	Factory	Head Office		
Below 6000	11	9	56	76
Above 6000	37	118	98	253
Total	**48**	**127**	**154**	**329**

37.00 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, 2021.

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.

38.00 Significant Deviation

There is no significant deviation during the current financial year from the last year operating results of the Company.

Silco Pharmaceuticals Limited

Schedule of Property, Plant & Equipment

As at June 30, 2021

Annexure-A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at June 30, 2021
	Balance as on 1st July 2020	Addition during the year	Balance as on June 30, 2021		Balance as on 1st July 2020	Charge during the year	Balance as on June 30, 2021	
Land and Land Development	74,854,740	-	74,854,740	-	-	-	-	74,854,740
Building	477,098,655	222,948,534	700,047,189	2.50%	79,971,419	12,101,188	92,072,607	607,974,582
Plant & Machinery	1,144,841,960	1,363,543	1,146,205,503	10.00%	617,606,553	52,821,348	670,427,901	475,777,602
Electrical Equipment	23,221,372	11,843	23,233,215	10.00%	11,880,532	1,134,676	13,015,208	10,218,007
Electrical Installation	51,407,688	-	51,407,688	10.00%	30,561,208	2,084,648	32,645,856	18,761,832
Furniture & Fixture	17,731,836	655,875	18,387,711	10.00%	7,244,805	1,090,183	8,334,988	10,052,723
Office Equipment	9,061,692	-	9,061,692	10.00%	3,943,569	511,812	4,455,382	4,606,310
Computer	4,479,252	265,410	4,744,662	20.00%	2,904,626	339,744	3,244,370	1,500,292
Transformer	12,738,550	-	12,738,550	10.00%	8,132,859	460,569	8,593,428	4,145,122
Vehicles	40,740,115	104,500	40,844,615	10.00%	6,730,480	3,409,782	10,140,261	30,704,354
Air Condition	6,675,456	-	6,675,456	20.00%	4,836,338	367,824	5,204,161	1,471,295
Fire Extinguisher	6,308,680		6,308,680	20.00%	4,959,248	269,886	5,229,134	1,079,546
Balance as on June 30, 2021	**1,869,159,996**	**225,349,705**	**2,094,509,701**		**778,771,637**	**74,591,659**	**853,363,297**	**1,241,146,404**
Balance as on 30 June, 2020	**1,822,891,115**	**46,268,881**	**1,869,159,996**		**700,086,436**	**78,685,201**	**778,771,637**	**1,090,388,358**

Allocation of Depreciation	Rate (%)	Taka
Factory Expenses	94.00%	70,116,160
Administrative Expenses	2.00%	1,491,833
Selling & Distribution Expenses	4.00%	2,983,666
Total	**100%**	**74,591,659**

Silco Pharmaceuticals Limited

Schedule of Property, Plant & Equipment

As at 30 June 2020

Annexure-B

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at June 30, 2020
	Balance as on 1st July 2019	Addition during the year	Balance as on June 30, 2020		Balance as on 1st July 2019	Charge during the year	Balance as on June 30, 2020	
Land and Land Development	74,854,740		74,854,740	-	-	-	-	74,854,740
Building	472,284,317	4,814,338	477,098,655	2.50%	69,901,827	10,069,592	79,971,419	397,127,236
Plant & Machinery	1,141,326,904	3,515,056	1,144,841,960	10.00%	559,350,310	58,256,244	617,606,553	527,235,407
Electrical Equipment	23,221,372		23,221,372	10.00%	10,620,438	1,260,093	11,880,532	11,340,840
Electrical Installation	51,407,688		51,407,688	10.00%	28,244,932	2,316,276	30,561,208	20,846,480
Furniture & Fixture	16,403,125	1,328,711	17,731,836	10.00%	6,202,608	1,042,197	7,244,805	10,487,031
Office Equipment	9,028,692	33,000	9,061,692	10.00%	3,377,639	565,930	3,943,569	5,118,123
Computer	4,311,476	167,776	4,479,252	20.00%	2,542,428	362,198	2,904,626	1,574,626
Transformer	12,738,550		12,738,550	10.00%	7,621,116	511,743	8,132,859	4,605,691
Vehicles	4,430,115	36,310,000	40,740,115	10.00%	3,205,856	3,524,623	6,730,480	34,009,635
Air Condition	6,575,456	100,000	6,675,456	20.00%	4,397,392	438,946	4,836,338	1,839,118
Fire Extinguisher	6,308,680		6,308,680	20.00%	4,621,890	337,358	4,959,248	1,349,432
Balance as on 30 June, 2020	**1,822,891,115**	**46,268,881**	**1,869,159,996**		**700,086,436**	**78,685,201**	**778,771,637**	**1,090,388,358**
Balance as on 30 June, 2019	**1,792,785,951**	**30,105,164**	**1,822,891,115**		**617,619,002**	**82,467,434**	**700,086,436**	**1,122,804,679**

Allocation of Depreciation	Rate (%)	Taka
Factory Expenses	94.00%	73,964,089
Administrative Expenses	2.00%	1,573,704
Selling & Distribution Expenses	4.00%	3,147,408
Total	**100%**	**78,685,201**

Silco Pharmaceuticals Limited

Schedule of Right of Use Asset

As at June 30, 2021

Annexure-C

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at June 30, 2021
	Balance as on 1st July 2020	Addition during the period	Balance as on June 30, 2021		Balance as on 1st July 2020	Charge during the period	Balance as on June 30, 2021	
Office Rent (Head Office)		969,773	969,773	33.33		323,258	323,258	646,515
Office Rent (DO)		1,751,240	1,751,240	33.33		583,747	583,747	1,167,493
Office Rent (BDO)		1,034,823	1,034,823	33.33		344,941	344,941	689,882
Office Rent (BOG-DO)		2,260,850	2,260,850	33.33		753,617	753,617	1,507,234
Office Rent (KBO-DO)		1,241,788	1,241,788	33.33		413,929	413,929	827,859
Office Rent (MBO-DO)		1,241,788	1,241,788	33.33		413,929	413,929	827,859
Office Rent (NDO-DO)		1783080.406	1,783,080	33.33		594,360	594,360	1,188,720
Office Rent (CDO-DO)		1,146,266	1,146,266	33.33		382,089	382,089	764,177
			-				-	-
			-				-	-
			-				-	-
			-				-	-
Balance as on June 30, 2021	**-**	**11,429,609**	**11,429,609**		**-**	**3,809,870**	**3,809,870**	**7,619,739**

Allocation of Depreciation	Rate (%)	Taka
Factory Expenses	94.00%	3,581,278
Administrative Expenses	2.00%	76,197
Selling & Distribution Expenses	4.00%	152,395
Total	**100%**	**3,809,870**

Silco Pharmaceuticals Limited

Disclosure regarding IFRS-16

Annexure-D

In addition, the management of the Company has introduced IFRS-16 'Leases" instead of IAS-17 'Leases' from 1st July 2019. The Management of the Company has made an assessment of the difference between IFRS-16 'Leases' and IAS-17 'Leases'. The Company assess the impact of IFRS-16 of numerical amount and disclosures in the financial statement. For better presentation, the management reconciled Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows as well as Statement of Financial Position of the company with the effect of IFRS-16 which is shown below:

Statement of Financial Position

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption ofIFRS-16
Assets			
Non Current Assets	1,643,359,448.75	7,619,739.39	1,635,739,709.36
Current Assets	1,052,230,885.80	-	1,052,230,885.80
Total	**2,695,590,334.55**	**7,619,739.39**	**2,687,970,595.16**
Shareholders Equity and Liabilities			
Shareholders Equity	2,268,018,122.92	(243,788.61)	2,268,261,911.54
Non-Current Liabilities	144,611,002.39	4,100,041.84	140,510,960.55
Current Liabilities	282,961,209.23	3,763,486.16	279,197,723.08
	2,695,590,334.55	**7,619,739.39**	**2,687,970,595.16**

Statement of Profit or Loss and other Comprehensive Income

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption ofIFRS-16
Turnover	601,061,104.00	-	601,061,104.00
Gross Profit	168,394,644.51	-	168,394,644.51
Less: Operating Expenses	84,523,969.73	497,674.31	85,021,644.04
Less: Financial Expenses	446,948.00	-	446,948.00
Less: Financial Expenses (Lease)	763,787.51	(763,787.51)	-
Non-operation Income	11453081.94	-	11,453,081.94
Profit before Contribution to WPPF			94,379,134.41
Less: Workers' Profit Participation/Welfare Fund (WPPF)	4481572.438	12,672.06	4,494,244.50
Profit before Income Tax			**89,884,889.91**
Less: Provision for Income Tax	4,984,031.33	9,652.53	4,993,683.86
Current Tax	16789738.27	(2,851.21)	16,786,887.06
Deferred Tax	-11805706.94	12,503.75	(11,793,203.20)
Net Profit after Tax (Transferred to CE)	**84647417.44**	**(243,788.61)**	**84,891,206.06**

Statement of Cash Flows

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption ofIFRS-16
A. Cash Flows from Operating Activities	257,205,006.04	4,307,544.00	252,897,462.04
B. Cash Flows from Investing Activities	(239,829,114.61)	-	(239,829,114.61)
C. Cash Flows from Financing Activities	(66,314,049.50)	(4,307,544.00)	(62,006,505.50)
D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	**(48,938,158.07)**	-	**(48,938,158.07)**
E. Cash and Cash Equivalents at the beginning of the year	101,969,301.60	-	101,969,301.60
F. Cash and Cash Equivalents at the end of the year (D+E)	**53,031,143.53**		**53,031,143.53**

SILCO PHARMACEUTICALS LIMITED

41, Nurani, Ban Kalapara, Subid Bazar, Sylhet.

PROXY FORM

I/We.....

of.....

being a shareholders of Silco Pharmaceuticals Limited 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 26TH Annual General Meeting of the Company to be held on Sunday, January 16, 2022 at 11:30 a.m. at virtually by using digital platform and/or at any adjournment thereof.

As witness my hand this……day of…..2022.

Revenue Stamp Tk. 20.00

(Signature of the Shareholder)

(Signature of Proxy)

BO ID No. | | | | | | | | | | | | | | | | |

No. of Shares held .....

Dated.....

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be sent through email to Registered Office at info@silcopharma.com not letter 72 hours before the time fixed for the meeting.

2. Signature of the shareholder(s) should be in accordance with the specimen signature recorded with the company.



SILCO

SILCO PHARMACEUTICALS LIMITED

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Factory: *BSCIC Industrial Estate, Khadimnagar, Sylhet-3103*

Phone: *+880-0821-2870448*