

ANNUAL REPORT | 2021 2022







SILCO

SILCO PHARMACEUTICALS LIMITED

www.silcopharma.com


বিসমিল্লাহির রাহমানির রাহিম

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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)

All other stakeholder

Subject: Annual Report for the year ended June 30, 2022

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 2022, 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 2022 along with notes to the Financial Statements thereon for your necessary measures and record.

Sincerely Yours,

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.

Notice of the 27th Annual General Meeting
Silco Pharmaceuticals Limited
41, Nurani, Ban Kalapara, Subid Bazar, Sylhet.

Notice is hereby given to all the Shareholders of **Silco Pharmaceuticals Limited** that, the 27th Annual General Meeting (AGM) of the Company will be held on **Tuesday, 10th January 2023 at 11:30 A.M.** at virtually by using **"Digital Platform"** as per BSEC order SEC/SRMIC/94-231/91 March 31, 2021 through the link http://silcophl27.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 2022, together with the report of the Directors' and Auditors' thereon.
2. To declare 5% cash dividend for the year ended June 30, 2022 as recommended by the Board of Directors.
3. To appoint external Auditors of the Company for the year ended June 30, 2023 and to fix their remuneration.
4. To appoint Auditors for Compliance of the Corporate Governance Code of the Company for the year ended June 30, 2023 and to fix their remuneration.
5. To elect/re-elect the Directors as per Article of Association of the Company.
6. To approve the appointment /re-appointment /retired of the Independent Directors.
7. To transact any other business with the permission of the Chair.

By order of the Board
Sd/-

Dated: Dhaka
December 19, 2022

Tingku Ranjan Sarker
Company Secretary

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 05, 2022** will be eligible to attend the 27th 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 of Tk.20 and must be submitted at the registered office of the Company or through e-mail: 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 27th Annual General Meeting on the Directors' and Auditors' Reports and Audited Accounts for the year ended June 30, 2022 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 member will be able to submit their question/ comments through virtual link 24 hours before commencement of the AGM and during the AGM. For logging into the system, the members need to put their 16-digit beneficiary owner (BO) ID/Folio number and other credentials as proof of their identity by visiting the link http://silcophl27.digitalagmbd.net
5. 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.
6. 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 2021-2022 and Proxy Form will also be available in the company's website at **http://www.silcopharma.com.** The shareholders may also collect the printed copy of Annual Report Financial Year 2021-2022 from the registered office of the company.
7. The concerned brokerage Houses/DP's are requested to provide us a statement with the details (shareholders' Names, BO ID Numbers, Client –wise shareholding position, Gross Dividend Receivables, applicable tax rate and Net Dividend Receivables) of their Margin Loan Holders who hold company's share, as on the 'Record Date' along with the name of the contract Person in this connection, to the company's share/registered office on or before 1st January 2023. The Merchant Banks and Depository Participants (DP) are also requested to provide us with their Bank Names, Account Numbers and Routing Numbers etc.

N.B. In compliance with the Bangladesh Securities and Exchange Commission's circular no. SEC/CMRRCD/2009-193/154 dated October 24, 2013, and The listing Regulations of Stock Exchanges, no gift/ gift coupon/food box / benefit in cash or in kind shall be distributed/ paid to the shareholders for attending the ensuing 27th Annual General meeting.

Profile of Board of Directors



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



Prof. Dr. Faisal Ahmed
Director



Dr. Mahmudul Majid Chowdhury
Director



Dr. Aminur Rahman Lasker
Independent Director



Dr. Syed Borhan Uddin
Independent Director

DIRECTORS BACKGROUND:

Mrs. Naim Fatema

Chairman, Silco Pharmaceuticals Ltd.

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

Dr. Md. Badrul Haque Rukan

Managing Director, Silco Pharmaceuticals Ltd.

Dr. Md. Badrul Haque Rukan, is the Director of the company since inception. He was born in a respectable Muslim family at Sylhet in 1953. He is 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 38 years. He has long experience involving in Pharmaceuticals industry with particular experience in product development and marketing. Dr. Rukan is also involved with many social organizations and visited many countries including UK, USA, India, Bangkok, Malaysia, Singapore etc. on business and personal purpose. He is also the director of Park View Medical College and National Diagnostic Centre situated in Sylhet.

Dr. Md. Azizur Rahman

Director, Silco Pharmaceuticals Ltd.

Dr. Azizur Rahman is a Director Silco Pharmaceuticals Ltd. and he has extensive experience working with pharmaceuticals Industry. He was born in a respectable Muslim family at Sreemangal in 1947. 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 is the Director of the company. She was born in a respectable Muslim family at Sylhet in 1965.She has completed her MBBS degree from Bangladesh and subse-quently achieved FCPS. She is employed in North East Medical College & Hospital as an Assistant Professor in Department.

Prof. Dr. Md. Harunur Rashid

Director, Silco Pharmaceuticals Ltd.

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

Dr. Mahmudul Majid Chowdhury

Director, Silco Pharmaceuticals Ltd.

Dr. Mahmudul Majid Chowdhury is a Medicine Specialist trained from overseas countries. He was born in a respectable Muslim family at Sylhet in 1953. 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 was born in a respectable Muslim family at Sylhet in 1954. 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 33 years of experience in Medicine.

Dr. Syed Burhan Uddin,

Independent Director, Silco Pharmaceuticals Ltd.

Dr. Syed Burhan Uddin (MBBS), DPH (London), he is an Independent Director of Silco Pharmaceuticals Ltd, born in 1948. He has more than 35 years' experience working with pharmaceuticals Industry and he has also long experience in business sector. He is holding the position of Director of Parkview Health Care (Pvt.) Ltd.& Shahjalal Medical Services. He has been awarded many degrees in Bangladesh and overseas. Dr. Burhan Uddin visited the USA, Canada, India, Malaysia and many other countries**.**

Dr. Md. Aminur Rahman Laskar,

Independent Director, Silco Pharmaceuticals Ltd.

Dr. Md. Aminur Rahman Laskar is an Independent Director of Silco Pharmaceuticals Ltd. Born in 1953. Dr. Rahman is ex-professor of Department of Cardiology in MAG Osmani Medical College Sylhet and he has more than 33 years' experience working with business and pharmaceuticals Industry. Dr. Rahman is holding a position of General Secretary of National Heart Foundation Sylhet, Director of Al Haramain (Pvt.) Hospital Limited & Mount Adora Hospital Sylhet. During his career as a medical professional, he has been awarded many degrees in Bangladesh and overseas. Dr. Rahman visited the UK, USA, India, Thailand, and many other countries.

Corporate Directory

Name of the company	Silco Pharmaceuticals Limited
Company Logo	
Legal Position	Public Limited Company
Date of Incorporation	January 25, 1995
Company Registration Number	C-27781(1627)/95
Commencement of Commercial Operations	October 30, 2003
Corporate & Registered Office	41, Nurani Ban Kalapara, Subid Bazar, Sylhet -3100
Factory Address	BSCIC Industrial Estate, Khadimnagor , Sylhet -3103, Bangladesh.
Website address	www.silcopharma.com
E-mail Address	info@silcopharma.com
Nature of Business	Silco Pharmaceuticals limited has engaged in manufacturing and marketing of pharmaceuticals finished product in the categories of Antibiotics, Analgesics, Anti diabetics, Narcotics, Antipyretics, Anti -inflammatory Drugs, Antiulcerants, Multi medicines which are sold in local market and in international market respectively
Convert into Public Limited Company	N/A (Incorporated as public company)
Opening date of Subscription on IPO	March 07, 2019
Closing date of Subscription on IPO	March 19, 2019
Listing in DSE & CSE	25 April 2019 & 30th April 2019
Trading started on DSE & CSE	June 13, 2019
Electronic Shares	Yes
Face Value	Taka 10.00
Authorized Capital	Taka 1,050,000,000 divided into 105,000,000 ordinary shares of Taka 10 each.
Paid up capital	Taka 1,038,070,000 divided into 103,807,000 ordinary shares of Taka 10 each.
Import Registration Certificate	260391120003220
Export Registration Certificate	260391210010120
Trading Code	SILCOPHL
Total Directors	9 (Nine) Persons (As on June 30, 2022) including 02 (two) independent Directors
Chairman	Mrs. Maim Fatema
Managing Directors	Dr. Md. Badrul Haque Rukan
Company Secretary	Tingku Ranjan Sarker
Chief financial Officer	Md. Monjur Alam
Statutory Auditor	Ashraf Uddin & Co., Chartered Accountants Corporate address: 142/B Green Road (3rd & 4th floor) Dhaka-1215
Compliance Auditor	FAMES & R, Chartered Accountants Hossain Tower (11th floor), 116 Naya Paltan, Box Culvert Road, Dhaka-1000
Membership	Bangladesh Association of Public Listed Companies (BAPLC) Bangladesh Association of Pharmaceuticals Industries (BAPI)

(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
Prof. Dr. Md. Harunur Rashid	: Director
Dr. Mahmudul Majid Chowdhury	: Director
Prof. Dr. Md. Faisal Ahmed	: Director
Dr. Syed Burhan Uddin	: Independent Director
Dr. Md. Aminur Rahman Laskar	: Independent Director

(b) Audit Committee:

Dr. Syed Burhan Uddin	:Chairman
Prof. Dr. Md. Harunur Rashid (Director)	: Member
Dr. Md. Azizur Rahman (Director)	: Member
Tingku Ranjan Sarker (Company Secretary)	: Secretary of the Committee

(c) Nomination & Remuneration Committee:

Dr. Md. Aminur Rahman Laskar	: Chairman
Prof. Dr. Md. Faisal Ahmed (Director)	: Member
Dr. Mahmudul Majid Chowdhury (Director)	: Member
Tingku Ranjan Sarker (Company Secretary)	: Secretary of the Committee

(d) Bankers to the Company:

The City Bank Limited
The Pubali Bank Limited
The Prime Bank Limited
The Bank Asia Limited
The AB Bank Limited
Dutch-Bangla Bank Limited
Standard Bank Limited





MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim

Respected Members, Shareholders and Other stakeholder,

Assalamualaikum

It is a great honour and privilege to welcome you on behalf of the board of the directors to the 27th Annual General Meeting of the Silco pharmaceuticals limited and submits before you the annual report containing audited financial statement and reports for the year ended 30 June 2022 for the year consideration and approval.

You are all aware that, all the activities of the company are success to depends on the financial stability of the nationally and globally but the present situation are not well. During the financial year 2021-2022, we are passing very worse situation nationally and globally due to Russia-Ukraine war. In consequence of we were falling under economic crisis nationally and globally. We hope to overcome this global unstable situation very soon.

Besides you know that, due to the flooding situation has seriously affected our company business in our sylhet division. In this reason, our company has decreased its turnover to Taka 559.47 million up by 06.92% from the previous year but Non-operating income has increased compared to previous year. The net profit after tax has to taka 84.45 million which 0.23% lower than previous year.

Even after a hundred adversities, it has performed to well comparatively our business for the year 2021-2022. 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 2021-2022, the Company has maintained its stable profit from operation. It is expected that positive trend will continue in the upcoming years. Based on performance and business results the Board has recommended 5% Cash dividend for all the general shareholders, independent directors & sponsors except the directors for the year 2021-2022

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 2021-2022. 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.

We are grateful to our valued customer, Suppliers , well-wishers, Bangladesh Securities and Exchange commission (BSEC), Dhaka stock exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Central depository Bangladesh Limited (CDBL), Registrar of joint stock companies and Firms(RJSCF), National Board of Revenue(NBR), 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

Thanking you all with wishes of a peaceful prosperity and good health. Lastly I pray to the almighty Allah to bless us with success and help us in our endeavor marching towards a bright future and benevolence to our people as a whole.

Sincerely Yours,

Sd/-

Mrs. Naim Fatema

Chairman



MANAGING DIRECTOR STATEMENT.

Bismillahir Rahmanir Rahim
Respected Shareholders and Other Stockholders,

Assalamualaikum
This is a great moment for me to be here with you at the 27th Annual General Meeting of Silco Pharmaceuticals Ltd. On behalf of the Board of Directors and myself, I express my earnest appreciations and profound gratitude to you for your enormous support and coordination. It is also my privilege to present you Company's Annual Report for the year ended June 30, 2022 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.

Dear valued shareholders, the Earnings per Share (EPS) for the year 2021-2022 is BDT 0.81 compared to previous year's EPS of BDT 0.82 The Return on Equity (ROE) is 3.71% and the Return on Asset (ROA) is 3.11%. Taking into account the financial performance of the company this year, your Board has recommended 5% Cash Dividend to be appropriated from the profits to the shareholders for the financial year 2021-2022. An analysis of the Company's Balance-sheet as a standalone position indicates a satisfactory growing position while the total assets have increased during 2021-2022 over the previous year by 0.90%. The company has no short & long term loan. The liquidity position as determined by the current ratio remains highly comfortable at above 3.61% during the year.

Regarding the fiscal year 2021-2022 we are pleased with our overall performance of pharmaceutical business. In June 2019 year, we have become a publicly 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. We believe that our endeavors and team work have enabled the Company to maintain its profitability under competitive industry scenario.

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

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

Sincerely Yours

Sd/-

Dr. Md. Badrul Haque Rukan
Managing Director

Director's Report to the Shareholders

Bismillahir Rahmanir Rahim

Respected Shareholders

Assalamualaikum,

On behalf of the Board of Directors of Silco Pharmaceuticals Limited (SPL), I welcome you all to the 27th Annual General Meeting (AGM). It is our pleasure to appear before you the Audited Financial Statements of the Company for the year ended June 30, 2022, 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 in local market & International market. The Company went for Initial Public Offering of shares in 10th April 2019. The Company was listed with Dhaka Stock Exchange Limited (DSE) on 25 April 2019 and Chittagong Stock Exchanges Limited (CSE) on 30 April 2019. The Authorized capital of the company is Tk. 1050 million and paid-up capital Tk. 1038.07 million as at June 30, 2022.

Main objective of the company

The Company's main objective is to play the role usually offering the healthcare service of highest standard through production and marketing of quality pharmaceuticals finished products in Bangladesh and abroad.

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. 0.81 which was Tk. 0.82 in last year, revenue Tk. 559.46 million which was Tk. 601.06 million in last year, NOCFPS is Tk.1.63 which was Tk. 2.48 in last year and NAV is Tk. 21.95 which was Tk. 21.85 in last year.

The operating financial results of the Company for the year 2021-2022 as compared to previous year are summarized hereunder

Particular	2021-2022	2020-2021
Turnover	559,469,717	601,061,104
Gross Profit	187,247,092	168,394,645
Financial Expenses	316,932	446,948
Non-Operating Income	12,328,733	11,453,082
Net Profit Before Tax (NPBT)	108,958,832	89,631,449
Provision for Taxation	24,507,616	4,984,031
Net Profit After Tax (NPAT)	84,451,216	84,647,417
Gross Margin (Turnover)	33.47%	28.01%
Net Margin Before Tax	19.47%	14.91%
Net Margin After Tax	15.09%	14.08%
Earnings Per Share (EPS) BDT.	0.81	0.82
Number of Shares used to compute EPS	103,807,000	103,807,000

The Board of Directors

The Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its directors. The Board of the company comprises with 9 (Nine) Directors, of whom 7 (seven) directors are shareholder Directors and 2 (Two) independent directors. Independent Directors are appointed as per provision of the Corporate Governance Codes of Bangladesh Securities

and Exchange Commission (BSEC) vides reference no. BSEC CMRRCD 2006-158/207/Admin/80, dated 03 June, 2018. The Board's essential role is to approve the Company's strategy and oversee compliance.

Industrial Prospects

Silco Pharmaceuticals Limited tried to maintain the continuity of its productivity and best ethical standard of business affairs preferring the principles of sustainable development in the year under review. Alhamdulillah

The Company has been able to hold its customer satisfaction upright providing the quality products with competitive price in the competitive business environment. The Company gives the utmost importance in extending business activities through supply of products as per demand keeping in view of future challenge depending on the modern technology.

Pharmaceuticals Market of our Country

In the year under review, the growth of pharmaceuticals market of our country stood 18.65%. The Silco Pharmaceuticals Limited achieved the growth in satisfactory with respect to the growth of pharmaceuticals market of our country.

Business Analysis

The year 2020-2021 was a challenging year not only for the company but also for the entire world affected by the Coronavirus (COVID-19).The COVID-19 outbreak has greatly impacted the macroeconomic performance of the country as well as its operation and financial position.

The year under review, in spite of severe competition and distresses of COVID-19 prevailed in the national and international business area, we have been able to maintain an overall Progressive growth trend due to timely action taken by the Board of Directors, managing the finance efficiently through visionary steps and ensuring proper investment procedures.

As a result, it becomes easy and usual to produce quality medicine and deliver the same at the doorsteps of the customers. The company has played a significant role in applying modern technology ensuring quality control, smooth distribution, and delivery of the medicine to the patients and customers.

In the year 2021-2022 EPS stood Tk. 0.81 which was Tk. 0.82 in 2020-2021.In the year 2021-2022 under review Net Asset Value (NAV) per share is Tk.21.95 which was Tk. 21.85 in the year 2020-2021 and NOCFPS per share stood Tk.1.63 in the current year which was Tk.2.48 in the year 2020-2021. It is mentionable here that the decrease NOCFPS arose due to decrease in collection of trade and other receivables in the current year. Net Asset Value (NAV) increase in during the year compare to previous year due to shareholders equity. EPS decrease in during the year due to decreasing net profit after tax.

Dividend Distribution Policy of the Company

The Board of directors of the company of Silco pharmaceuticals Ltd. sincerely believes that at the end of annual operation of the company, the maximum benefit dividend is given to the shareholders after retaining a portion of earnings so that the company can maintain the ability for future expansion and also extending facilities to the shareholders in future. The Board of director of the company keeping this policy in mind, the company management has declared the dividend giving importance on a balance between the present expectation of the shareholders and of potential beneficiaries considering all relevant applicable laws and best practices in this connection.

Pursuant to the Dividend related Directive issued by Bangladesh Securities and Exchange Commission (BSEC) on January 14, 2021, the Company has adopted the Dividend Distribution Policy. The Dividend Distribution Policy is stated in the page no.38 of the Annual Report 2022 and is also uploaded in our Company's website.

Unpaid or Unclaimed Dividend:

The following summary of the unpaid or unclaimed dividends;

Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Directive no. BSEC/CMMRCD/2021-386/03 dated January 14, 2021 and Bangladesh Securities and Exchange Commission Capital Market Stabilization Fund (CSMF) Rules, 2021, the company did not required transfer of any amount to this fund, since the company unclaimed/unpaid dividend start from the year 2019.

Year wise unclaimed/undistributed/unsettled dividend amount is stated below

Up to June 30, 2022	
Years	Unpaid or Unclaimed Dividend Amount
2021	Taka 917,479
2020	Taka 1,097,119
2019	Taka 127,409

Appointment of Statutory Auditors

The existing Auditor of the Company M/S Ashraf Uddin & Co., Chartered Accountants (An Associate firms of ANTEA Alliance of Independent Firms, Chartered Accountants) has conducted their Audit from the year 30 June 2020 to 30 June 2022 i.e. for a period of three years. As per notification no. BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018, clause no 2(3) the existing Auditor/Audit firm M/S Ashraf Uddin & Co., Chartered shall not be eligible for performing the statutory audit of Financial Statements of the Company for a consecutive period exceeding three years. M/s Islam Quazi Shafique & Co. offered themselves for newly appointment as Statutory Auditor of the Company for the year 2022-2023 at a remuneration of BDT 3,50,000.00 (Three Lac Fifty Thousand) including VAT subject to the approval of the shareholders in its forthcoming 27th Annual General Meeting.

Appointment of Compliance Auditor

The existing compliance Auditors of the Company FAMES & R, Chartered Accountants has conducted their compliance audit during the year 2021-2022 and retires at this Annual General Meeting and being eligible have offered themselves for re-appointment as Compliance Auditors of the Company for the year 2022-2023 with a remuneration of BDT 40,000 (Taka Forty Thousand only) including Income VAT, subject to the approval of the Shareholders in its forthcoming 27th Annual General Meeting.

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) of the company to be held on 10 January 2023. As proposed by the Board of Directors at its meeting dated November 03, 2022, the matter for re-appointment of The ManConBD, Chartered Secretary, for the financial year 2022-2023 as Independent Scrutinizer of the company and to fix their remuneration of Tk. 20,000/- (Twenty Thousand Taka) including VAT & AIT. Independent Scrutinizer to be reported of the same to the BSEC within the stipulated time of conclusion of AGM.

Implementation of IAS, IFRS and Other Applicable Law and Regulations

The Management of the Company is entrusted to ensure the disclosure of the financial statements & preparation and maintenance of all types of Statutory Statements as per the Bangladesh Securities and Exchange Commission (BSEC), the Companies Act-1994 and Bangladesh Financial Reporting Act (FRA)-2015. The Board of Director's is absolutely responsible to prepare all types of financial reports in line with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and other applicable rules and regulations.

Financial Report and Accountability

The Board of Directors discharged their due responsibilities through timely preparation and publication of first quarter, half yearly, third quarter and annual financial report at the end of each financial period and the affairs of the company performed in the year under review. Audit Committee, sub-committee of Board examined the fairness, exactness and transparency and completeness of these reports before placement of the same to the Board of their approval.

The Company Published the report (un-audited Financial statements) of first Quarter, half yearly and third Quarter Financial statements as per notification of Bangladesh Securities and Exchange Commission (BSEC) and Listing rules 2015 of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) through Company's Website, Newspapers and online News portal and submitted the same timely to BSEC, DSE, CSE and other regulatory authorities.

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 Board of Directors is the highest governance body of the Company and represents the interests of all shareholders and stakeholders, irrespective of who elected its directors. The Board of the Company comprises with 09 (nine) Directors including 2 (two) Independent Directors. Independent Directors are appointed as per provision of the Corporate Governance Codes of Bangladesh Securities and Exchange Commission (BSEC). The Board's essential role is to approve the Company's strategy and oversee the compliance.

Appointment, Reappointment and Retire of Independent Directors.

To meet the requirement of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the Company retires three Independent Directors namely- Prof. Dr Md Abul Ahbab, Prof Dr Md Rezaul Karim and Dr Iqbal Hossain Chowdhury on 09 November 2021. Mentionable that they are completed two preceding tenures successfully.

As per notification of BSEC and the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), the Company appointed two Independent Directors namely- Dr Syed Burhan Uddin and Dr Aminur Rahman Lasker. As per above mentioned guideline of BSEC, the Board in its Board Meeting held on 22 January 2022 appointed Dr Syed Burhan Uddin and Dr Aminur Rahman Lasker as Independent Directors of the company for forthcoming 3 (three) years effective from 22 January 2022 subject to the approval of the shareholders in the 27th Annual General Meeting (AGM).The brief resume along with required information of Independent Directors is given under the profile of board of directors in page no. 06 this Annual Report.

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 College	Director
8	Dr Syed Burhan Uddin	Independent Director (Newly Appointed)	Parkview Health Care (Pvt.) Ltd.	Director
9	Dr Aminul Rahman Lasker	Independent Director (Newly Appointed)	Al Haramain (Pvt.) Hospital Limited	Director

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	: Tingku Ranjan Sarker
Chief Financial Officer	: Md. Monjur Alam
Head of Internal Audit	: Md. Saifur Rahman

Audit Committee Report

The Audit Committee, as a sub-committee of the Board of Directors, has been constituted with the Independent Directors 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 page no. 31-32 annual report.

Nomination and Remuneration Committee Report

In accordance with the condition of Bangladesh Securities and Exchange Commission's Code of Corporate Governance, BSEC/CMRRCD/20Oó-158/207/Admin/80 dared 03 June 2018, the Board formed the Nomination and Remuneration Committee (NRC). The report of the Nomination and Remuneration Committee (NRC) about their activities performed during the year under review is mentioned in the page no. 33-34 of the Annual Report

Corporate Governance Code

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

Subsidiary Company

The company has no subsidiary company.

Duties of Managing Director

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

Dividend Declaration

Based on performance and business results the Board has recommended 5% Cash Dividend for the financial year 2021-2022.

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 and international markets. 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 is engaged in manufacturing, marketing and distribution of generic pharmaceuticals finished products Which includes human drugs; veterinary drugs dosages the products of the company are sold in domestic market as well as international markets

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 has also affected negatively by the COVID-19, Russia-Ukraine war & economic instability in Bangladesh and worldwide.

IV) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

Cost of goods sold:

In the year 2021-2022 cost of goods sold was Tk. 372.19 million (66.53% of Sales) as compared to last year 2020-2021. Cost of goods sold of Tk. 432.66 million (71.98% of Sales). Due to proper utilization of production capacity, use of new infrastructure facilities and good management policies for reducing the overall manufacturing overhead cost.

Gross profit:
Gross profit earned during the year 2021-2022 was Tk. 187.27 million as against last year's gross profit of Tk. 168.39 million Gross profit increases because of decreasing of cost of goods sold compare to last year.

Net Profit:
The company earned net after tax during the year 2021-2022 amounting to Tk. 84.45 million as compared to previous year net profit after tax of Tk. 84.64 million. The Net profit after tax has decreased during the year due to decrease of sales volume compare to previous year.

V) Continuity of any Extra-Ordinary Gain or Loss

Silco Pharmaceuticals Limited has no any Extra-Ordinary Gain or Loss excepts others income for the year ended 30th June, 2022.

VI) Related Party Transaction

The Directors and other key management personnel are very much cautious to avoid any conflicts of interest inconformity with the prevailing rules and regulations. Related party transactions, when undertaken, are carried out on an arm's length basis without any special benefit to the related party. All such transaction has been approved unanimously by the other Directors of the company. A statement of all related party transactions is mentioned under notes 29.01 of the audited financial statements as per IAS-24.

VII) Utilization of Proceeds from Public Issues, Right Shares and/or through any Other Instrument

Initial Public Offering (IPO) of Silco Pharmaceuticals Limited was made in 2019 and the fund raised thereby has already been utilized and reported accordingly to the regulators. No further issue of any instrument was during the year.

VIII) Explanation if Financial Results Deteriorate after the Company Goes for IPO, RPO, Right Share Offer, Direct Listing

As stated above, Silco Pharmaceuticals Limited went for IPO in 2019 and after that the company did not raise any fund by any sort of offerings till now. Therefore, no explanation is required in this connection.

IX) Explanation on any Significant Variance between Quarterly and Annual Financial Statements

No significant variation has occurred between the quarterly and annual financial statements of the Company during the reporting financial year.

X) Remuneration to the Directors including Independent Directors

The company has paid to remuneration only Managing Director for the year ended June 30, 2022 but not any other directors including independent directors which a disclosure is given under notes 29.01 of the audited financial statements.

XI) A statement that 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.

The financial statement of Silco Pharmaceuticals Limited prepared by it's the management and present fairly its state of affairs, result of its operations, cash flows and changes in equity.

XII) Maintenance of proper book of accounts

The company has maintained proper books of account as per company's act-1994

XIII) Adoption of Appropriate Accounting Policies and Estimates

The Appropriate accounting policies have been consistency applied in preparation of company's financial statements and the accounting estimate are based on reasonable and prudent judgment.

XIV) Compliance with IAS and IFRS in preparation of Financial Statements

In preparation of financial statement, the Company has followed International Accounting Standards (IAS) or International Financial Reporting Standard (IFRS) as applicable in Bangladesh.

XV) The system of internal control

The Board has formed Audit Committee as sub-committee of the Board and they ensure that the system of internal control is sound in design and has been effectively implemented and monitored.

XVI) A statement that minority shareholder 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;

The Board of Directors of Silco Pharmaceuticals Limited very concerns about minority shareholders interest in this regard the Board has appointed Independent Directors to protect interest of minority shareholders.

XVII) Ability to continue as a 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.

XVIII) Significant variance over the last year's operating profit

There is significant deviation in the current year from occurred over the last years operating profit. The disclosed of financial statements note no.38.

XIX) Summary of key operating and financial data preceding 5 (Five) year

The statement of key operating and financial data for last preceding 5 (Five) year of the company have been presented as follows:

Operating Result	Amount in Taka				
	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Turnover	559,469, 717	601,061104	733,651,005	919,041,362	917,775,216
Gross Profit	187,274,092	168,394,645	212,726,144	279,728,868	295,232,446
Profit from Operation	102,929,209	83,870,675	116,445,754	148,556,204	171,021,813
Net Profit before tax	108,958,832	89,631,449	110,900,718	141,797,517	162,098,798
Net Profit after Tax	84,451, 216	84,647,417	83,175,539	162,484,445	105,364,219

Financial Position	Amount in Taka				
	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Non-Current Assets	1,670,995,957	1,643,359,449	1,333,906,074	1,242,539,972	1,249,517,443
Current Assets	1,048,739,867	1,052,230,886	1,324,761,125	1,325,733,939	896,796,670
Shareholder's Equity	2,278,623,335	2,268,018,123	2,246,499,254	2,182,197,715	1,741,076,872
Current Liability	290,905,236	282,961,209	259,863,784	238,628,946	208,760,168
Non-Current Liability	150,207,253	144,611,002	152,304,164	147,447,251	196,477,075

Financial Ratio	Amount in Taka				
	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
Current Ratio	3.61	3.72	5.10	5.56	4.30
Quick Ratio	1.56	2.13	2.96	3.32	1.94
Debt to Equity Ratio	N/A	N/A	N/A	N/A	N/A
Net Income Ratio (%)	15.09%	14.08%	11.34%	17.68%	11.48%
Return on Equity (%)	3.71%	3.73%	3.76%	8.28%	3.12%
Earnings Per Share	0.81	0.82	0.80	2.28	1.64
Net Operating Cash Flow per Share	1.63	2.48	1.41	1.14	1.34

XX) Reason for not declaring dividend

Not applicable because the Board of Directors of company has recommended 5% cash dividend for all shareholder, independent director and sponsor excluding Directors.

XXI) Board statement regarding interim dividend

No bonus share or stock dividend has been declared as interim dividend by board of directors of the company during the year 2021-2022.

XXII) The total number of board meeting held during the year and attendance by each director

During the year ended June 30, 2022 there were 05 (Five) Board Meetings held. The attendance status of the meeting as follows:

Board Members	Designation	Meeting Held	Attendance
Mrs. Naim Fatema	Chairman	5	4
Dr. Badrul Haque Rukan	Managing Director	5	5
Dr. Md. Azizur Rahman	Director	5	5
Dr. Gulshana-E-Jahan	Director	5	4
Prof. Dr. Md. Harunur Rashid	Director	5	5
Dr. Mahmudul Majid Chowdhury	Director	5	5
Prof. Dr. Faisal Ahmed	Director	5	5
Prof. Md. Abdul Ahbad	Independent Director	5	3
Prof. Dr. Md. Rezaul Karim	Independent Director	5	3
Dr. Iqbal Hossain Chowdhury	Independent Director	5	3
Dr. Syed Burhan Uddin	Independent Director	5	2
Md. Aminur Rahman Laskar	Independent Director	5	2

XXIII) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-

A report on the pattern of shareholding as on 30 June 2022 disclosing the aggregate numbers of shares (along with name-wise details) are stated below:-

a. Parent or Subsidiary or associated Companies and other related parties:
The Silco pharmaceuticals Limited does not have any Parent or Subsidiary or associated Companies as on 30 June 2022.However, other related parties do not hold any shares of the company.

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)**

Sl No	Name of the Shareholder	Position	Shares Held	%
i	Mrs. Naim Fatema	Chairman	5,951,000	5.73
	Dr. Badrul Haque Rukan	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
	Dr. Syed Burhan Uddin	Independent Director	Nil	Nil
	Md. Aminur Rahman Laskar	Independent Director	Nil	Nil
ii	**Office Staffs**			
	Tingku Ranjan Sarker	Company Secretary	Nil	Nil
	Md. Monjur Alam	Chief Financial Officer	Nil	Nil

c) Executives

Sl No	Name of the Shareholder	Position	Shares Held	%
i	Brig. Gen. (Ret.) Khademul Insan Md. Iqbal	Head of HR	110,000	0.11

d) Shareholders holding 10% or more voting interest in the company (name-wise-details)

Sl No	Name of the Shareholder	Position	Shares Held	%
i	Dr. Badrul Haque Rukan	Managing Director	13,930,543	13.42

XXIV) To elect/re-elect/ resign by Rotation of Directors

As per Articles of Association of the company, Mrs, Naim Fatema, honorable Chairman, Prof. Dr. Md. Harunur Rashid & Dr. Mahmudul Majid Chowdhury honorable directors of the company will resign from the Board and they are interested to re-elect as directors as they are eligible. Under the circumstances, present all members recommended their re-elect and subject to the approval with the consent of honorable shareholders in the upcoming Annual General Meeting of the Company.

XXV) Management Discussion and Analysis.
A detailed management's discussion and analysis is given of this Annual Report page no….which is signed by Managing Director of the company.

XXVI) Declaration or Certification by the Managing Director and the Chief Financial Officer

The declaration or certification by the Managing Director and the Chief Financial Officer disclosed in Annexure A of this annual report page no. 37.

XXVII) The report of Compliance on the Corporate Governance Code
The report of compliance on the corporate governance code audited by compliance auditor has been incorporated as per preformats prescribed in Annexure-B and Annexure-C of the notification of BSEC has been disclosed in page no. 48-59 of the annual report.

Recognition and Compliments
The Board of Directors extends its heart felt gratefulness to the Ministry of Health, Directorate General of Drug Administration, respected Doctors, Chemists, Patrons and all concerned with the pharmaceuticals industry for their all-out support to us. The Board of Directors remembers the co-operation of Bangladesh Securities and exchanges Commission (BSEC), Dhaka Stock Exchanges Ltd. (DSE), Central Depository Bangladesh Limited (CDBL) and Chittagong Stock Exchanges Ltd. (CSE) gratefully. The Board thanks the banks and the financial institutions for their support.

The board of Directors wishes all levels of officers, employees, buyers, consumers, patrons, well-wishers and all concerned for their sincere contribution towards our business success, we are also grateful to our beloved shareholder for their comprehensive support to the company.

The shareholders trustworthiness to the Board of Directors makes them confident and deeply inspired. The management and employee of all levels are committed to uphold this.

May Allah accept all our efforts for the development of our company, nation and the country at large. We pray to the Almighty Allah for his blessing for continual overall progress and prosperity of our beloved country People's Republic of Bangladesh.

For and On behalf of Silco Pharmaceuticals Limited

Sd/-
Mrs. Naim Fatema
Chairman
Silco Pharmaceuticals Limited

Management Discussion and Analysis Signed by the Managing Director

Dear Shareholders,

Assalamu Alaikum Wa Rahmatullah

I am pleased to present the Statement of the managing director of Silco Pharmaceuticals Limited for the year ended June 30, 2022 on behalf of the management. We acknowledge with gratitude the continued trust and support of our valued shareholders, patrons, physicians, regulatory authorities and the end users of company's products. In this statement, may I take the opportunity to share with you some facts and figures of our company as follows.

As per condition no. 1 (5)(xxv) of the corporate governance Code 2018 issued by the BSEC, the management's discussion and analysis representing detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements for the year 2021-2022 among others.

Accounting policies and estimation for preparation of financial statements:

Dear shareholders, the preparation and presentation of the Financial Statements and the relevant disclosures therein have been made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 2020, the Listing Regulations of Stock Exchanges as applicable and International Accounting Standards (IAS) and international Financial Reporting Standards (IFRS) adopted by the Financial Reporting Council (FRC) as applicable to the company. The details description regarding the issues described in the note no. 2.00 and 3.00 of the financial statements.

Changing in accounting policies and estimation, if any:

Silco Pharmaceuticals Limited has been following consistent policies and estimation and there is no such change in accounting policies or estimation which has material impact on the financial statements and the description on the issue is stated in the page no. 69-79 of the Annual Report

Comparative analysis of financial performance:

Dear shareholders, please allow me to take you all through the comparative analysis of the financial performance and financial position of our company. In line with the growth of the Pharmaceutical market in the country, the financial performance or results and financial position of the company are also growing. The related financial data for immediate preceding five years are stated in page no. 19 of the Annual Report.

Comparison of financial performance or results and financial position as well as cash flows With the peer industry:

Amount in Taka

Particulars	Silco Pharmaceuticals Limited as on June 30, 2022	Silva Pharmaceuticals Limited as on June 30, 2022	Square Pharmaceuticals Limited as on June 30, 2022	Navana Pharmaceuticals Limited as on June 30, 2022	Beacon Pharmaceuticals Limited as on June 30, 2022
Total Assets	2,719,735,824	2,544,740,761	97,535,186,866	7,084,100,333	10,815,897,392
Non-Current Assets	1,670,995,957	1,481,576,724	34,786,763,350	4,188,661,986	4,371,681,590
Current Assets	1,048,739,867	1,063,164,037	62,748,423,516	2,895,438,346	6,444,215,802
Paid up Capital	1,038,070,000	1,365,000,000	8,864,510,100	802,301,500	2,310,000,000
Total shareholder equity	2,278,623,335	2,325,198,381	93,007,355,089	3,483,049,324	5,943,850,486
Non-current Liabilities	150,207,253	81,431,672	1,178,740,290	314,473,228	197,914,365
Current Liabilities	290,905,236	138,110,708	3,349,091,486	3,286,577,781	4,674,132,541
Net Revenue	559,469,717	778,669,854	57,597,941,359	4,758,706,524	8,022,736,306
Gross Profit	187,274,092	287,374,078	29,639,914,379	2,172,571,672	4,146,945,032
Profit from Operation	102,929,209	122,499,532	18,451,235,770	589,188,676	1,681,909,541
Net Profit before tax	108,958,832	116,666,221	21,024,559,874	391,785,923	1,292,967,761
Net profit after tax	84,451,216	102,255,594	16,417,496,603	274,001,539	935,036,130

Net cash flows from Operating cash flows	169,082,404	160,845,447	12,345,634,446	199,359,418	1,082,175,400
Earnings Per Share (EPS)	0.81	0.75	18.52	3.42	4.05
Net Operating Cash flows per share (NOCFPS)	1.63	1.18	13.93	2.48	4.68
NAV Per Share	21.95	17.03	104.92	43.41	25.73

Financial and Economic Scenario of Bangladesh and the Globe:

Global economic scenario is facing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Food price inflation data for the latest month between June and September 2022 shows high inflation in almost all developing countries, especially the most vulnerable.

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022- 23 and add to inflation. According to IMF, Global growth is forecasted to slow from 6.0 percent in 2021 to
3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise *mom 4.7* percent in 2021 to 8.8 percent in 2022 but to decline to *6.5* percent in 2023 and to 4.I percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy.

After the world scenario, we may take a look at the condition of our country. Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, irrepressible remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades. A strong recovery from the COVID-1 9 pandemic continued in FY22, although a recent surge in commodity prices has presented new headwinds.

Bangladesh, like many other countries, faces global economic challenges. Rising commodity prices and a surge in imports in the second half of FY22 resulted in widening Balance of Payments (BoP) deficit and accelerating inflation. Foreign exchange reserves declined as a result. Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity.

The pharmaceutical industry is one of the most technologically advanced sectors currently in existence in Bangladesh. It has grown in the last two decades at a considerable rate. The revenue of the pharmaceutical industry of Bangladesh is mainly generated from domestic sales and exports. Bangladesh is the only least developed country (LDC) that meets nearly 98 percent of its domestic demand for pharmaceutical products. According IQVIA 2Q'22 MAT Report for the FY21-22, domestic market size is approximately $2.7 billion which is 3.85% negative than previous year. In addition, Bangladeshi pharmaceutical products are exported to around 150 countries and generated $188.8 million in fiscal year 2021-22 which is 11.09% positive than previous year. With an annual two-digit growth rate in export market, the Bangladesh pharmaceutical industry is now heading toward self-sufficiency in meeting local demand.

Risks and concerns issues related to the financial statements, explaining such risk and Concerns mitigation plan of the company:

Currently Bangladesh along with other parts of the globe is passing through a tunnel of crisis in terms of health management, social as well as financial for the pandemic of COVID-19 and ongoing Russia-Ukraine war. The company has been monitoring the impact of COVID-19 and ongoing Russia-Ukraine war on all aspects of its business. The management has exercised due core, in concluding on

significant accounting judgments, policies and estimates while preparing the Financial Statements for the year ended 30 June 2022.

Besides, organizations are not free from risks that might arise both from internal and external fronts. Like any other business or industry, Silco Pharmaceuticals Limited operating in a dynamic and competitive market is exposed to risks that may affect its business.

Efficient and effective Risk management is the integral part and parcel of today's business. As such, Silco Pharmaceuticals Limited would be subject to systematic risks of the industry and market as well. The risks and concerned issues related to the financial statements explaining such risk and mitigation plan.

Future Plan

Dear Shareholders, I am pleased to inform you that the utilization of IPO funds of the company, civil construction of our new factory building and other utilization are nearly completed; necessary relevant machinery and equipment already imported. This new facility with expanded capacity will cater to our growing demands in the coming days and will also help to maintain a new backbone towards sustainable growth.

We have recruited technically skilled & professional sales and marketing people in the coming year aiming to keep a strong position and wide coverage in the prescription front. We have already launched 05 most potential and revenue earning new products under RVN tablet, Bisofar tablet, LG-M tablet, Zinc AG 1 syrup & D-set segments in the current year and planned to launch another 04 (approx.) new products under different segments by upcoming year. We believe, along with facility expansion, addition of qualified manpower and time demanding new products will boost our future growth.

Lastly, we would like to express my sincere thanks to all of our valued shareholders, customers, suppliers, bankers, the healthcare professionals and our regulatory authorities for their confidence in us and would also like to acknowledge the helpful guidance from our Board of Directors has always been instrumental in shaping the success of Silco Pharmaceuticals Limited. I would like to thank all of Silco Pharmaceuticals Limited's employees and partners for their hard work throughout the preceding financial years. I look forward to your continued support with the hope of a successful year ahead.

Sd/-
Dr. Md. Badrul Haque Rukan
Managing Director

SILCO PHARMACEUTICALS LTD.

BSCIC Industrial Estate, Khadimnagar, Sylhet

PRODUCT LIST

Sl. No.	Brand Name	Generic Name	Strength	MA/DAR No.
01	Silmet Suspension	Metronidazole Benzoate BP	Metronidazole BP 200mg/ 5ml	311-01-027
02	Silaron Syrup	Ferrous Sulphate BP	Ferrous Sulphate BP 200mg/5ml	311-02-045
03	Antismin Syrup	Chlorpheniramine Maleate BP	Chlorpheniramine Maleate BP 2.0mg/5ml	311-03-021
04	Helmin Suspension	Mebendazole USP	Mebendazole USP 100mg/ 5ml	311-05-008
05	Silcane Suspension	Aluminium Hydroxide Compressed Gel Ph.Grade (containing 10% Al_2O_3), Magnesium Hydroxide Paste BP {containing 30% $Mg(OH)_2$}	(Aluminium Oxide Ph.Grade 200mg + Magnesium Hydroxide BP 125mg) / 5ml	311-06-007
06	Silpol Suspension	Paracetamol BP	Paracetamol BP 120mg/5ml	311-07-006
07	Salbusol Syrup	Salbutamol Sulphate BP	Salbutamol BP 2mg /5ml	311-08-044
08	Viton Syrup	Thiamine HCl (B_1) BP, Riboflavin 5-Phosphate Sodium (B_2) BP, Pyridoxine HCl (B_6) BP, Nicotinamide BP	{Thiamine HCl (B_1) BP 5mg + Riboflavin 5-Phosphate Sodium (B_2) BP 2.74mg + Pyridoxine HCl (B_6) BP-2mg+ Nicotinamide BP 20mg}/5ml	311-09-078
09	Polyviton Drop	Vit. A (water miscible) BP + Vit. D_3 BP + Thiamine HCl (B_1) BP + Riboflavin-5-Phosphate Sodium (B_2) BP + Pyridoxine HCl (B_6) BP + Calcium-D-Pantothenate USP + Nicotinamide BP + Ascorbic Acid USP	{Vit. A (water miscible) BP 2500 IU + Vit. D_3 BP 500 IU + Thiamine HCl (B_1) BP 8mg + Riboflavin 5- Phosphate Sodium (B_2) BP 5mg + Pyridoxine HCl (B_6) BP 5mg + Calcium-D-Pantothenate USP 25mg + Nicotinamide BP 500mg + Ascorbic Acid USP 250mg}/5ml	311-10-078
10	Octafen-100 Tablet	Ketoprofen BP	Ketoprofen BP 100mg/ Tablet	311-11-65
11	Trisium Tablet	Clobazam BP	Cobazam BP 10.0 mg/ Tablet	311-12-09
12	Silpol Tablet	Paracetamol BP	Paracetamol BP 500mg/ Tablet	311-13-006
13	Silatrol Tablet	Cetirizine Dihydrochloride BP	Cetirizine Dihydrochloride BP 10mg/Tablet	311-14-021
14	Silflox 500 Tablet	Ciprofloxacin Hydrochloride BP	Ciprofloxacin BP 500mg/ Tablet	311-17-023
15	Viton B Tablet	Thiamine HCl (B_1) BP, Pyridoxine HCl (B_6) BP, Riboflavin (B_2) BP, Nicotinamide BP	{Thiamine HCl (B_1) BP 5mg + Pyridoxine HCl (B_6) BP 2mg + Riboflavin (B_2) BP 2mg + Nicotinamide BP 20mg}/ Tablet	311-18-077
16	Polyrex-500 Capsule	Cephalexin Monohydrate (Comp.) BP	Cephalexin BP 500mg/Capsule	311-19-60
17	Selium 5 Tablet	Diazepam BP	Diazepam BP 5mg/Tablet	311-20-057
18	Silben Tablet	Albendazole USP	Albendazole USP 400mg/ Tablet	311-22-008
19	Silmet 400 Tablet	Metronidazole BP	Metronidazole BP 400mg/ Tablet	311-23-027
20	Salbusol 2 Tablet	Salbutamol Sulphate BP	Salbutamol BP 2mg / Tablet	311-24-044
21	Trifenac-50 Tablet	Diclofenac Sodium BP	Diclofenac Sodium BP 50mg/ Tablet	311-25-65
22	Tensin-50 Tablet	Atenolol BP	Atenolol BP 50mg/Tablet	311-28-022
23	Silcona-50 Capsule	Fluconazole INN	Fluconazole INN 50mg/ Capsule	311-29-020
24	Silcard Tablet	Isosorbide Mononitrate (50%	Isosorbide Mononitrate BP 20	311-30-21

PRODUCT LIST

Sl. No.	Brand Name	Generic Name	Strength	MA/DAR No.
		dilution with Lactose) BP	mg/ Tablet	
25	Polylac Syrup	Lactulose Solution BP (containing 67% Lactulose)	Lactulose BP 3.35gm/ 5ml	311-31-060
26	Mycostat Oral Drop	Nystatin BP	Nystatin BP 90.25mg/ 5ml	311-32-60
27	Viton M Tablet	Multivitamins + Multiminerals	{Vit. A USP 1.500mg + Vit.D_3 USP 10.000mcg + Vit. E BP 15.00mg + B_1 USP 1.500mg + B_2 USP 1.700mg+ B_6 USP 2.00mg+ Nicotinamide USP 20.00mg + B_{12} USP 6.00mcg + Calcium Pantothenate USP 10.920mg + Folic Acid USP 0.400mg + Dried $FeSO_4$ BP 50.000mg + $CuSO_4$ BP 2.00mg + $MnSO_4$ BP 1.000mg + K_2SO_4BP 11.141mg + Ascorbic Acid USP 60.00mg + KI USP (10%) 1.960mg + $ZnSO_4$ BP 37.030mg}/ Tablet	311-33-078
28	Seofol Plus TR Capsule	Ferrous Sulphate BP, Folic Acid BP	($FeSO_4$ BP 150mg + Folic Acid BP 0.500mg)/ Capsule	311-34-045
29	Bactacef 500 Capsule	Cephradine (Compacted) BP	Cephradine BP 500mg/ Capsule	311-35-023
30	Peplo 20 Capsule	Omeprazole USP	Omeprazole USP 20mg / Capsule	311-38-067
31	Silcane Tablet	$Al(OH)_3$ Dried Gel BP , $Mg(OH)_2$ BP	{$Al(OH)_3$ Dried Gel BP 250mg + $Mg(OH)_2$BP 400mg} / Tablet	311-41-007
32	Samprid Tablet	Gliclazide BP	Gliclazide BP 80mg/ Tablet	311-42-015
33	Losart P Tablet	Losartan Potassium BP	Losartan Potassium BP 50mg/ Tablet	311-43-022
34	Alopin 5 Tablet	Amlodipine Besilate BP	Amlodipine BP 5mg / Tablet	311-44-022
35	Silcane Plus Tablet	$Al(OH)_3$ Dried Gel BP, $Mg(OH)_2$ BP, Simethicone USP	{$Al(OH)_3$ Dried Gel BP 400mg + $Mg(OH)_2$ BP 400mg+ Simethicone USP 30mg}/ Tablet	311-45-077
36	Peristal Tablet	Domperidone Maleate BP	Domperidone BP 10mg / Tablet	311-46-018
37	Bactacef PFS	Cephradine (Micronised) BP	Cephradine BP 125mg/ 5ml	311-47-023
38	Erosil PFS	Erythromycin Ethyl Succinate BP	Erythromycin BP 125mg / 5ml	311-48-023
39	Bactazim Capsule	Cefixime Trihydrate (Comp.) USP	Cefixime USP 200mg / Capsule	311-49-023
40	Peristal Suspension	Domperidone BP	Domperidone BP 5mg/5ml	311-50-018
41	Bactazim PFS	Cefixime Trihydrate (Micronised) USP	Cefixime USP 100mg /5ml	311-51-023
42	Silcal 500 Tablet	Calcium Carbonate USP	Calcium USP 500mg / Tablet	311-52-062
43	Silfenac Tablet	Aceclofenac BP	Aceclofenac BP 100mg/ Tablet	311-53-064
44	Flutracen Tablet	Flupenthixol Dihydrochloride BP, Melitracen Hydrochloride INN	(Flupenthixol BP 0.50mg + Melitracen INN 10.00mg)/ Tablet	311-54-028

SILCO PHARMACEUTICALS LTD.

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PRODUCT LIST

Sl. No.	Brand Name	Generic Name	Strength	MA/DAR No.
45	Deslosil Tablet	Desloratadine INN	Desloratadine INN 5mg/ Tablet	311-55-021
46	Leosil 500 Tablet	Levofloxacin Hemihydrate INN	Levofloxacin INN 500mg /Tablet	311-57-023
47	Azosil 500 Tablet	Azithromycin Dihydrate USP	Azithromycin USP 500mg / Tablet	311-58-023
48	Zinc AG Syrup	Zinc Sulphate Monohydrate USP	Elemental Zinc USP 20mg /5ml	311-60-062
49	Esonam 20 Capsule	Esomeprazole Magnesium Trihydrate INN	Esomeprazole INN 20mg/ Capsule	311-61-067
50	Esonam 40 Capsule	Esomeprazole Magnesium Trihydrate INN	Esomeprazole INN 40mg/ Capsule	311-62-067
51	Panosa 20 Tablet	Pantoprazole Sodium Sesquihydrate BP	Pantoprazole BP 20mg / Tablet	311-63-067
52	Panosa 40 Tablet	Pantoprazole Sodium Sesquihydrate BP	Pantoprazole BP 40mg / Tablet	311-64-067
53	Silcona 150 Capsule	Fluconazole INN	Fluconazole INN 150mg/ Capsule	311-65-020
54	Metfosil 500 Tablet	Metformin Hydrochloride BP	Metformin Hydrochloride BP 500mg/Tablet	311-66-015
55	Metfosil 500 XR Tablet	Metformin Hydrochloride BP	Metformin Hydrochloride BP 500mg/Tablet	311-67-015
56	Slona 0.5 Tablet	Clonazepam USP	Clonazepam USP 0.5mg/ Tablet	311-68-046
57	Tifsi Syrup	Ketotifen Fumarate BP	Ketotifen BP 1mg / 5ml	311-69-021
58	Tifsi Tablet	Ketotifen Fumarate BP	Ketotifen BP 1mg/ Tablet	311-70-021
59	Silcal D Tablet	Calcium Carbonate USP, Vitamin D_3 USP	(Calcium USP 500mg +Vit.D_3 USP 200 IU)/ Tablet	311-71-062
60	Viton Z Tablet	Thiamine Mononitrate (B_1) BP, Riboflavin (B_2) BP, Pyridoxine HCl (B_6) BP, Nicotinamide BP, $ZnSO_4.H_20$ USP	{Thiamine Mononitrate (B_1) BP 5mg + Riboflavin (B_2) BP 2mg + Pyridoxine HCl (B_6) BP 2mg + Nicotinamide BP 20mg + Elemental Zn USP 10.0mg}/Tablet	311-72-078
61	Viton Z Syrup	Thiamine HCl (B_1) BP, Riboflavin 5-Phosphate Sodium (B_2) BP, Pyridoxine HCl (B_6) BP, Nicotinamide BP, $ZnSO_4.H_20$ USP	{Thiamine HCl (B_1) BP 5mg + Riboflavin (B_2) BP 2mg + Pyridoxine HCl (B_6) BP 2mg + Nicotinamide BP 20mg + Elemental Zinc USP 10.0mg}/5ml	311-73-078
62	Azosil PFS.	Azithromycin Dihydrate (Micronised) USP	Azithromycin USP 200mg/ 5ml	311-74-023
63	Bactacef DS PFS	Cephradine (Micronised) BP	Cephradine BP 250mg/ 5ml	311-75-023
64	Sitova 10 Tablet	Atorvastatin Calcium Trihydrate BP	Atorvastatin BP 10mg / Tablet	311-76-061
65	Sitova 20 Tablet	Atorvastatin Calcium Trihydrate BP	Atorvastatin BP 20mg / Tablet	311-77-061
66	Moneka 10 Tablet	Montelukast Sodium BP	Montelukast BP 10mg / Tablet	311-78-044
67	Silgin Tablet	Tiemonium Methylsulphate INN	Tiemonium Methylsulphate INN	311-79-011

PRODUCT LIST

Sl. No.	Brand Name	Generic Name	Strength	MA/DAR No.
			50mg/ Tablet	
68	Silclog Tablet	Clopidogrel Bisulphate USP	Clopidogrel USP 75mg/ Tablet	311-80-026
69	Cefusil 125 Tablet	Cefuroxime Axetil BP	Cefuroxime BP 125mg /Tablet	311-81-60
70	Cefusil 250 Tablet	Cefuroxime Axetil BP	Cefuroxime BP 250mg / Tablet	311-82-023
71	Cefusil 500 Tablet	Cefuroxime Axetil BP	Cefuroxime BP 500mg /Tablet	311-83-023
72	Neurogin Tablet	Thiamine HCl (B_1) BP, Pyridoxine HCl (B_6) BP, Cyanocobalamin (B_{12}) BP	{Thiamine HCl (B_1) BP 100mg + Pyridoxine HCl (B_6) BP 200mg + Cyanocobalamin (B_{12}) BP 200mcg}/ Tablet	311-84-078
73	Fusino 20 Tablet	Furosemide USP, Spironolactone USP	(Furosemide USP 20mg + Spironolactone USP 50mg) / Tablet	311-85-42
74	Fusino 40 Tablet	Furosemide USP, Spironolactone USP	(Furosemide USP 40mg + Spironolactone USP 50mg) / Tablet	311-86-42
75	SRS Saline	Sodium Chloride BP, Potassium Chloride BP, Sodium Citrate BP, Glucose Anhydrous BP	(NaCl BP 1.30gm + KCl BP 0.75gm + Sodium Citrate BP 1.45gm + Glucose Anhydrous BP 6.75gm) / Sachet	311-87-079
76	Bactazim 400 Capsule	Cefixime Trihydrate USP	Cefixime USP 400mg / Capsule	311-88-023
77	Metfosil 850 Tablet	Metformin HCl BP	Metformin HCl BP 850mg/ Tablet	311-89-015
78	Baclax 10 Tablet	Baclofen BP	Baclofen BP 10mg/ Tablet	311-90-070
79	Ambrosia Syrup	Ambroxol HCl BP	Ambroxol HCl BP 15 mg/ 5ml	311-91-031
80	KTM 10 Tablet	Ketorolac Trometamol BP	Ketorolac Trometamol BP 10mg/ Tablet	311-92-064
81	ZFC Capsule	Carbonyl Iron INN, Folic Acid BP, $ZnSO_4.H_2O$ USP	Carbonyl Iron INN 51mg + Folic Acid BP 0.500mg + $ZnSO_4.H_2O$ USP 61.76mg	311-93-045
82	Moneka 5 Tablet	Montelukast Sodium BP	Montelukast BP 5mg/ Tablet	311-94-044
83	Taspia Capsule	Tamsulosin Hydrochloride INN	Tamsulosin Hydrochloride INN 0.4mg/ Capsule	311-95-049
84	MV-COD Syrup	Vitamin A Propionate BP, Vitamin D BP, Vitamin E Acetate BP, Ascorbic Acid BP, Thiamine HCl (B_1) BP, Riboflavin 5- Phosphate Sodium (B_2) BP, Pyridoxine HCl BP, Nicotinamide BP, Cod Liver Oil BP	{Vitamin A Propionate BP 2000 IU + Vitamin D 200 IU + Vitamin E Acetate BP 1.5 mg, Ascorbic Acid BP 17.5 mg, Thiamine HCl (B_1) BP 0.7 mg, Riboflavin (B_2) BP 0.85 mg + Pyridoxine HCl BP 0.35 mg + Nicotinamide BP 9 mg + Cod Liver Oil BP 0.1 g}/5 ml	311-96-078
85	Fexsil 120 Tablet	Fexofenadine HCl BP	Fexofenadine HCl BP 120 mg/ Tablet	311-97-021
86	Fexsil 180 Tablet	Fexofenadine HCl BP	Fexofenadine HCl BP 180 mg/ Tablet	311-98-021
87	Fexsil Suspension	Fexofenadine HCl BP	Fexofenadine HCl BP 30mg /5 ml	311-99-021

PRODUCT LIST

Sl. No.	Brand Name	Generic Name	Strength	MA/DAR No.
88	Neocliz Tablet	Meclizine HCl USP, Pyridoxine HCl BP	{Meclizine HCl USP 25 mg + Pyridoxine HCl BP 50 mg}/ Tablet	311-100-018
89	MQ-4 Tablet	Moxifloxacin HCl BP	Moxifloxacin BP 400 mg/ Tablet	311-101-023
90	Naxsil 500 Tablet	Naproxen Sodium USP	Naproxen USP 500 mg/ Tablet	311-102-064
91	Naxsil E 375 Tablet	Naproxen Sodium USP, Esomeprazole Magnesium Trihydrate BP	{Naproxen USP 375 mg + Esomeprazole BP 20 mg}/ Tablet	311-103-064
92	Naxsil E 500 Tablet	Naproxen Sodium USP, Esomeprazole Magnesium Trihydrate BP	{Naproxen USP 500 mg + Esomeprazole BP 20 mg}/ Tablet	311-104-064
93	Cefusil CV 500 Tablet	Cefuroxime Axetil BP, Diluted Clavulanate Potassium with Avicel (1:1) BP	{Cefuroxime BP 500 mg + Clavulanic Acid BP 125 mg} /Tablet	311-105-023
94	Cefusil CV 250 Tablet	Cefuroxime Axetil BP, Diluted Clavulanate Potassium with Avicel (1:1) BP	{Cefuroxime BP 250 mg + Clavulanic Acid BP 62.50 mg} /Tablet	311-106-023
95	Slona 2 Tablet	Clonazepam BP	Clonazepam BP 2.0 mg/ Tablet	311-107-046
96	Peplo 40 Capsule	Omeprazole BP	Omeprazole BP 40 mg/ Capsule	311-108-067
97	Silcal-O 400 Tablet	Calcium Orotate Dihydrate INN	Calcium Orotate INN 400 mg/ Tablet	311-109-062
98	Silcal-O 740 Tablet	Calcium Orotate Dihydrate INN	Calcium Orotate INN 740 mg/ Tablet	311-110-062
99	Rabsil 20 Tablet	Rabeprazole Sodium INN	Rabeprazole INN 20 mg/ Tablet	311-111-067
100	DFN 400 Tablet	Doxofylline INN	Doxofylline INN 400 mg	311-112-044
101	Oltan A 20 Tablet	Amlodipine Besilate BP & Olmesartan Medoxomil INN	(Amlodipine BP 5 mg + Olmesartan Medoxomil INN 20 mg/Tablet	311-113-022
102	Oltan A 40 Tablet	Amlodipine Besilate BP & Olmesartan Medoxomil INN	(Amlodipine BP 5 mg + Olmesartan Medoxomil INN 40 mg)/Tablet	311-114-022
103	Rebalin 75 Capsule	Pregabalin INN	Pregabalin INN 75 mg/ Capsule	311-115-046
104	Cefusil CV Powder for Suspension	Cefuroxime Axetil BP & Clavulanate Potassium USP	(Cefuroxime BP 125 mg + Clavulanic Acid USP 31.25 mg) / 5 ml PFS	311-116-023
105	Bisofar 2.5 Tablet	Bisoprolol Fumarate USP	Bisoprolol Fumarate USP 2.5 mg/Tablet	311-117-022
106	Bisofar 5 Tablet	Bisoprolol Fumarate USP	Bisoprolol Fumarate USP 5 mg/Tablet	311-118-022
107	RVN 5 Tablet	Rosuvastatin Calcium BP	Rosuvastatin Calcium BP 5 mg/Tablet	311-119-061
108	RVN 10 Tablet	Rosuvastatin Calcium BP	Rosuvastatin Calcium BP 10 mg/Tablet	311-120-061
109	Oltan 20 Tablet	Olmesartan Medoxomil INN	Olmesartan Medoxomil INN 20 mg)/Tablet	311-121-022
110	Rebalin 25 Capsule	Pregabalin BP	Pregabalin BP 25 mg/ Capsule	311-122-046
111	Rebalin 50 Capsule	Pregabalin BP	Pregabalin BP 50 mg/ Capsule	311-123-046

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PRODUCT LIST

Sl. No.	Brand Name	Generic Name	Strength	MA/DAR No.
112	Savesol HR Hand Rub Solution	Chlorhexidine Gluconate (20%) Solution BP	Chlorhexidine Gluconate BP 0.5 gm/100 ml	311-124-071
113	Savesol Hand Sanitizer Gel	Ethanol 96 % BP + Isopropyl Alcohol BP	Ethanol BP 66.00 gm + Isopropyl Alcohol BP 3.500 gm /100 ml	311-125-071
114	RVN 20 Tablet	Rosuvastatin Calcium BP	Rosuvastatin Calcium BP 20 mg/Tablet	311-126-061
115	D-Set 2000 IU Tablet	Cholecalciferol (Vitamin D3) USP	Cholecalciferol USP 2000 IU/Tablet	311-127-078
116	D-Set 20000 IU Capsule	Cholecalciferol (Vitamin D3) USP	Cholecalciferol USP 20000 USP IU/Capsule	311-128-078
117	D-Set 40000 IU Capsule	Cholecalciferol (Vitamin D3) USP	Cholecalciferol USP 40000 IU/Capsule	311-129-078
118	Zinc AG-1 Syrup 100 ml	Zinc Sulphate Monohydrate USP	Elemental Zinc USP 10mg /5ml	311-130-062
119	LG-M 500 Tablet	Linagliptin INN + Metformin Hydrochloride BP	Linagliptin INN 2.5 mg + Metformin Hydrochloride BP 500 mg/Tablet	311-131-015
120	LG-M 850 Tablet	Linagliptin INN + Metformin Hydrochloride BP	Linagliptin INN 2.5 mg + Metformin Hydrochloride BP 850 mg/Tablet	311-132-015

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:

Dr Syed Burhan Uddin	:Chairman (Newly Appointed)
Prof. Dr Md Abul Ahbab (Independent Director)	: Chairman (Retired)
Prof. Dr Md Harunur Rashid (Director)	: Member
Dr Md Azizur Rahman (Director)	: Member
Tingku Ranjan Sarker (Company Secretary)	: Secretary of the Committee

Meeting and Attendance

During 2021-2022, under review the Audit Committee of Silco Pharmaceuticals Limited met 4 (four) time

Audit Meeting Attended by Members		
Name	**Position**	**Meeting Attended**
Dr Syed Burhan Uddin	Chairman (Newly Appointed)	2
Prof. Dr Md Abul Ahbab	Chairman (Retired)	2
Prof. Dr Md Harunur Rashid	Member	4
Dr. Md Azizur Rahman	Member	4
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

The Committee during the period under report met four 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, 2022 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/-
Dr Syed Burhan Uddin
Chairman of the Committee

Report of the Nomination and Remuneration Committee (NRC)

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
Dr Aminul Rahman Laskar		Chairman (Newly Appointed)
Prof. Dr. Md. Rezaul Karim		Chairman (Retired)
Prof. Dr. Md. Faisal Ahmed		Member
Dr. Mahmudul Majid Chowdhury		Member
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/-

Dr Aminur Rahman Laskar

Chairman of the Committee

Code of Conduct for the Board

Our Code of Conduct is based on our values of integrity, respect and trust and the purpose of these codes is to ensure that all the Board Members and other acting on behalf of the Company to act in accordance with this values and principles respecting the core values of the Company. These codes are designed in such a way as to give a clear perception about what is expected from the people inside the Company. All of them are always committed to conduct the business in an ethical, legal and responsible way.

The codes are as follows:

1. Meetings of the Board of Directors and General Meetings, notices, agenda, minutes of the meetings shall be in accordance with the Companies Act, 1994.
2. In the event that a Director is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting of the Board, he may refer the matter to the Company Secretary. The relevant Director may require the note to be appended to the minutes during confirmation of the minutes.
3. The Directors shall ensure that the company abides by all the provisions of securities laws, rules and regulations framed there under and circulars, directions issued by the BSEC, DSE, CSE and other authorities as the case may be.
4. The Directors shall not support any decision in the meeting of the Board which may adversely affect the interest of shareholders or company.
5. The Directors shall ensure performing activities of the company to uphold the interest of general shareholders, and give priority to the interest of the company and its shareholders; even it appears to be conflicting with the interest of the company or its shareholders.
6. The Directors will carry out their fiduciary duties with a sense of objective judgment and independence in the best interests of the company and its shareholders.
7. The Directors shall submit necessary disclosures/statement of holdings/dealings in securities as required by the Commission and the Exchanges from time to time as per their rules, regulations and bye-laws.
8. The Directors shall unless otherwise required by law, maintain confidentiality and shall not divulge/disclose any information obtained in discharging their duties. The board of Directors shall have authority to remove and appoint any member of the Committee
9. A Director shall not use any confidential information for his personal gain, directly or indirectly, received or obtained by him in his capacity as a member of the Board.
10. The company always striving to move forward and value each employee as their contribution is what is driving the Company ahead. The Company encourages its employees to share ideas and knowledge with management as well as between themselves. This enables a great culture of idea sharing inside the Company which brought forward many new business activities.
11. The company ensures that, the workplace and its environment do not endanger the physical integrity or health of the employees. Training programs to reduce accidents and improving working conditions with additional safety gears is an ongoing process. Employees have access to drinking water, sanitary equipped social rooms, built and maintained in accordance with applicable legal requirements.
12. The company ensures an exciting and progressive working environment for its employees who are free from all type of discriminations and harassment. The company ensures that, all the employees act professionally and refrain frauds, dishonesty, deceit or any act that violates the core value of the Company.

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 statements for the year from 01 July, 2021 to 30 June, 2022 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 Financial Reporting Council (FRC), 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 Rules 2020 and The Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. Regulations 2015.

It ensures that the estimates 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 true 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 an Audit Committee as per code of Corporate Governance of Bangladesh Securities and Exchange Commission (BSEC). They have performed their responsibilities without any undue interface from any of the Directors.

Internal Audit and Compliance Department of the Company conducts periodic audits to provide reasonable assurance that the established policies and procedures of the Company are consistently followed.

The Company has adequate resources to continue operational 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 Financial Reporting Council (FRC), 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 Director's Report and the Financial Statements have been prepared in compliance with the law, rules and regulatory guidance.

The Auditors of the Company, 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. They have also examined the financial statements made available by the management together with all the financial records, related data and minutes of the Board, relevant policies and expressed opinion thereon.

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

Dated: December 19, 2022
The 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 2022

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 2022 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 2022 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)

Silco Pharmaceuticals Limited

Dividend Distribution Policy

[As per Directive No. BSEC/CMRRCD/2021-386/03, Dated: January 14, 2021 issued by the Bangladesh Securities and Exchange Commission (BSEC)]

Disclaimer

The Policy does not constitute a commitment by the company or the Board regarding the future dividend of the company, but only represents a general guidance to Shareholders regarding dividend policy. The statement of the policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

Given the aforementioned uncertainties, prospective or present investors are cautioned not to place any reliance on any of the forward-looking statements in the policy or the principles and guidance outlined in this Policy.

Dividend Distribution Policy

This Policy is called **"Silco Pharmaceuticals Limited-Dividend Distribution Policy"** hereinafter referred to as the "Policy" and has been framed by Silco Pharmaceuticals Limited (the "Company) pursuant to Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021.

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividend to its shareholders for a financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission's Directive dated January 14, 2021.

The Board of Directors of Silco Pharmaceuticals Limited has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of Silco Pharmaceuticals Limited to draw up a long-term and predictable dividend policy. The Board has approved the following dividend policy:

The Company's Dividend payout will be determined based on available financial resources, investment requirements, long term growth strategies, internal and external factors and taking into account optimal shareholder return. The Board of Directors shall refer to the policy while declaring/recommending dividends on behalf of the Company.

Silco Pharmaceuticals Limited shall aim for as yearly dividend distribution as possible. The company can consider special dividend payments such as interim dividend subject to the company's business performance and cash availability."

Dividend Distribution:

- Company shall pay off the dividend (cash/stock) to the shareholders within 30 days of declaration or approval as the case may be.
- Company shall pay off the cash dividend to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN.
- Dividend of the margin client of stock broker or merchant banker shall pay off to the Consolidated Customer's Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder.
- Company shall credit the stock dividend to the BO account of the entitled shareholder.
- In case of invalidation of the BO account, stock dividend will be kept in the suspense BO Account of the company for future distribution.
- Company shall follow the directives/circulars in force of the Securities and Regulators related to dividend distribution from time to time.

****

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2022/225

BAPLC

Date of issue : April 20, 2022

Renewed Certificate

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 **2022.**

BAPLC

Secretary General



















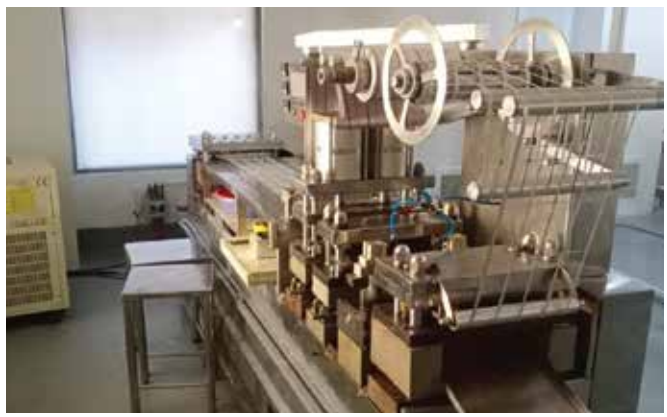




ADMIN
Building-B


SILCO




QC




ALOPIN-5


AZOSIL 500


Silco


CEFUSIL-500
Silco


CEFUSIL CV 250


CEFUSIL CV 500


DESLOSIL


ESONAM 20


FEXSIL 120


KTM-10


METFOSIL 500


MONEKA-10


NAXSIL 500


NAXSIL


Olaw A 20/5


PANOSA-20
SILCO


Peplo 20


Peplo 40


PERISTAL


Rabsil 20


Samprid


SEGFOL-PLUS


SILCAL-500


Silcal-O 400


Silgin


SITOVA-10


SLONA-0.5


TIFSI
SILCO


ZFC


Ambrosia


ANTISMIN


AZOSIL
SILCO
AZOSIL




Bactacef 500


Bactazim


CEFUSIL 250


FEXSIL


FLUTRACEN


LEOSIL 500


LOSART-P


Neurogin


Peristol




SILATROL


SILCAL D


Silclog


SILCONA 50


Silfenac


SILFLOX-500


SILMET 400

FAMES & R
CHARTERED ACCOUNTANTS

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shafi.selim1960@gmail.com

Annexure-B

REPORT TO THE SHAREHOLDERS OF SILCO PHARMACEUTICALS LTD. ON COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code of **Silco Pharmaceuticals Ltd.** for the year ended 30 June 2022.

This Code relates to the Notification No. BSEC/CMMRRCD/2006-158/207/Admin/80 dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

We state that we have obtained all the information and explanations which is required and after due security 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 satisfactory.

Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants

Dated: November 09, 2022
Place : Dhaka

FAMES & R DHAKA BANGLADESH CHARTERED ACCOUNTANTS

Annexure-C

Silco Pharmaceuticals Ltd.

Status of Compliance with the Corporate Governance Guideline (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	Complied	Not Complied	Remarks (IF ANY)
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).	√		The Board of **Silco Pharmaceuticals Ltd.** is comprised of **09 (Nine)** Directors
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.	√		There are two Independent Directors of Silco Pharmaceuticals Ltd.
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 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;	√		
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);	√		
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);	√		Independent Directors has been appointed by the Board of Directors on 22 January, 2022 to be placed to the shareholders for approval in the upcoming AGM

1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	-		There has been no vacancy in the position of Independent Directors.
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 financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)	**Independent Director shall have following qualifications**			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√	-	
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company.		-	-
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;		-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-	-	-
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission;			No such issue arose
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 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 Extra-Ordinary 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 performance and Annual Financial statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		
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;			5% cash dividend has recommended by the Board of directors
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	√		
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)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	√		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		

1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	**Meetings of the Board of Directors:**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	**Governance of Board of Directors of Subsidiary Company**			
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	-	-	N/A

	company shall also review the financial statements, in particular the investments made by the subsidiary company.			
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;	√		
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 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 sub-committee 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;	√		
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;	√		
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:	√		
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interest			No such Incident arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	-		No such Incident arose
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	-		No such Incident arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such Incident arose
5(6)(b)	**Reporting to the Authorities:**			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the	-		No such reportable incident arose

	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.			
5(7)	**Reporting to the Shareholders and General Investors:**			
	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;	√		
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,			No such Incident arose

	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;			
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);	√		
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;	√		
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 (AGM or EGM) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with **the Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

Independent Auditor's Report
To the Shareholders 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 30thJune, 2022 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, 2022 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 Pay Order No: MPO/A -2869983 amounting Tk.448,157/-, dated: 31/10/2022,Marcantile Bank Limited in designated bank account by Ministry of Labour Welfare of Bangladesh. 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 20.00& 2.19**	
Key audit matters	**How our audit address the matter**
The company recognized revenue Tk.559,469,717/- (Local sales)	-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 checked the correct posting in sales ledger. -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. - We collect 12 month VAT return submitted by the company and compare the total sales declared in VAT return with that of ledger. -We checked the appropriateness of disclosure as per IFRS-15.
2.Valuation of Inventory **Ref: Note 06.00 & 2.11**	
Key audit matters	**How our audit address the matter**
Closing inventory of Tk. 457,839,504/- represents 43.65% of current assets and almost 16.83% 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,	-We obtained understanding of the inventory recording & valuation process used by the company. -We ensure the correct opening balances are carried forward correctly from previous year's ledger. -We collect inventory counting report provided by management and assess the appropriateness of presentation. -We were unable to attain physical counting due to unfavorable massive flood situation in Sylhet Division.

there is risk that the carrying value of inventory exceeds net realizable value.	-We checked record with inventory ledger, usage during the year & purchase of inventory item in line with purchase order, delivery challan, GRN and Invoice. -We conducted analytical procedure to detect unusual fluctuation in inventory purchase and usage against current year production & sale. -We have also considered the adequacy of the company's disclosures in respect IAS-2.
3.Property, Plant & Equipment **Ref: Note 03.00 & 2.10**	
Key audit matters	**How our audit address the matter**
In the year ended 30th June, 2022 the company accounted for Property Plant and Equipment WDV of Tk.1,469,803,663/- & Tk. 303,339,227/- as current year addition to fixed asset. The written down balance represents around 54.04% of total assets. Large amount and number of fixed assets and subsequent additions subject to huge amount of depreciation charged against profit. Error in addition to fixed asset & depreciation calculation could result in over or understatement of profit / assets.	-We obtained asset register and confirm the opening balances that are carried forward from last year. -We obtained current year purchase / addition to fixed asset documents and ensure their complete recording in ledger. -We obtain purchase order, delivery challan, goods received note, invoice and money receipt to ensure occurrence, accuracy & completeness of transaction. -We inspected the physical existence through virtual platform as the production unit is situated in Sylhet Division which was affected by massive flood during our planned & rescheduled dates for verification. -We recalculate the depreciation charged against assets in current year. -We carried out analytical procedure to detect any unusual fluctuation in value in comparison with last year. - We discuss with management and consider other issues to assess the requirement for an impairment review. -We evaluate the appropriateness of disclosures in financial statements in line with IAS-16.

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 2020, 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.

Sd/-

Md.Mohiuddin Ahmed FCA, CFC
Enrollment No: 1046
Partner
Ashraf Uddin& Co.
Chartered Accountants
DVC: 2211031046AS613530

Place : Dhaka
Date:03 November, 2022

Silco Pharmaceuticals Limited

Statement of Financial Position

As at June 30, 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
Assets			
Non Current Assets		**1,670,995,957**	**1,643,359,449**
Property, Plant and Equipment	3.00	1,469,803,663	1,241,146,404
Right of Use Assets	4.00	3,809,870	7,619,739
Capital Work-in-Progress	5.00	197,382,425	394,593,305
Current Assets		**1,048,739,867**	**1,052,230,886**
Inventories	6.00	457,839,504	449,452,463
Trade and Other Receivables	7.00	389,236,460	390,532,203
Advances, Deposits and Prepayments	8.00	137,038,345	139,804,640
Cash and Cash Equivalents	9.00	26,719,260	53,031,144
Investment In Share	10.00	37,906,298	19,410,437
Total Assets		**2,719,735,824**	**2,695,590,335**
Shareholders Equity and Liabilities			
Shareholders Equity		**2,278,623,335**	**2,268,018,122**
Share Capital	11.00	1,038,070,000	1,038,070,000
Unrealized Gain/Loss on Marketable Securities		(10,687,292)	(369,919)
Retained Earnings	12.00	1,251,240,627	1,230,318,041
Non-Current Liabilities		**150,207,253**	**144,611,002**
Lease Liabilities (Non Current Portion)		-	4,112,546
Deferred Tax Liabilities	13.00	150,207,253	140,498,457
Current Liabilities		**290,905,236**	**282,961,209**
Trade and Other Payable	14.00	12,334,060	16,154,859
Lease Liabilities (Current Portion)	15.00	4,112,546	3,773,307
Payable to IPO Applicants		184,728	185,021
Provision for Expenses	16.00	6,996,585	10,471,189
Liabilities for contribution to WPPF	17.00	9,929,514	10,735,596
Dividend Payables (Unclaimed)	18.00	2,142,006	1,234,260
Provision for income tax	19.00	255,205,797	240,406,977
Total Shareholders Equity and Liabilities		**2,719,735,824**	**2,695,590,335**
Net Asset Value (NAV) per Share	27.00	**21.95**	**21.85**

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

Sd/-	Sd/-	Sd/-
Chairman	Managing Director	Company Secretary

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Sd/-

Date: 03 November 2022
Place: Dhaka

Md. Mohiuddin Ahmed FCA,CFC
Enrollment No:1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2211031046AS613530

Silco Pharmaceuticals Limited

Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Turnover	20.00	559,469,717	601,061,104
Less: Cost of Goods Sold	21.00	372,195,625	432,666,459
Gross Profit		**187,274,092**	**168,394,645**
Less: Operating Expenses	22.00	84,344,883	84,523,970
Profit from Operation		**102,929,209**	**83,870,675**
Less: Financial Expenses	23.00	316,932	446,948
Less: Financial Expenses (Lease)		534,237	763,788
Non-operation Income	24.00	12,328,733	11,453,082
Profit before Contribution to WPPF		**114,406,773**	**94,113,021**
Less: Workers' Profit Participation/Welfare Fund (WPPF)		5,447,942	4,481,572
Profit before Income Tax		**108,958,832**	**89,631,449**
Less: Provision for Income Tax	25.00	**24,507,616**	**4,984,031**
Current Tax		14,798,820	16,789,738
Deferred Tax		9,708,796	(11,805,707)
Net Profit after Tax (Transferred to CE)		**84,451,216**	**84,647,417**
Other Comprehensive Income:			
Unrealized Gain/Loss on Investment		(10,317,373)	(369,919)
Total Comprehenshive income		**74,133,843**	**84,277,499**
Earnings per Share (EPS)	26.00	**0.81**	**0.82**

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

Sd/-	Sd/-	Sd/-
Chairman	Managing Director	Company Secretary

Date: 03 November 2022
Place: Dhaka

Sd/-
Md. Mohiuddin Ahmed FCA,CFC
Enrollment No:1046
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2211031046AS613530

Silco Pharmaceuticals Limited

Statement of Changes in Equity

For the year ended June 30, 2022

(Amount in Taka)

Particulars	Ordinary Share Capital	Unrealized Gain/Loss on Marketable Securities	Retained Earnings	Total
Balance as at July 01, 2021	1,038,070,000	(369,919)	1,230,318,041	2,268,018,122
Declared 10% Cash Dividend			(63,528,630)	(63,528,630)
Net Profit/(Loss) during the year	-	-	84,451,216	84,451,216
Unrealized Gain/Loss on Marketable	-	(10,317,373)	-	(10,317,373)
Balance as on June 30, 2022	**1,038,070,000**	**(10,687,292)**	**1,251,240,627**	**2,278,623,335**

Statement of Changes in Equity

For the year ended June 30, 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**	**2,268,018,122**

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Date: 03 November 2022
Place: Dhaka

Silco Pharmaceuticals Limited

Statement of Cash Flows

For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
A. Cash Flows from Operating Activities			
Cash received from Customers	31.00	560,765,460	695,518,902
Cash received from Non-operating income		5,852,719	11,031,343
Cash Paid to Suppliers	32.00	(248,764,307)	(296,327,348)
Cash Paid to Employees	33.00	(78,543,127)	(68,562,095)
Cash Paid to Others	34.00	(61,639,667)	(69,056,428)
Financial Expenses		(316,932)	(446,948)
Income Tax Paid		(8,271,741)	(14,952,420)
Net cash flows from operating activities		**169,082,404**	**257,205,006**
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment		(29,905,677)	(4,555,216)
Cash Received/Payments to/from FDR		-	155,954,795
Cash Payments for Capital Work-in-Progress		(76,222,670)	(371,870,078)
Gain on Investment		6,476,014	421,739
Investment in Share		(28,813,235)	(19,780,355)
Net cash used in investing activities		**(128,465,567)**	**(239,829,115)**
C. Cash Flows from Financing Activities			
Refund to IPO Applicants		(293)	-
Financial Expenses (Lease)		(534,237)	(763,788)
Principle payment (Lease)		(3,773,307)	(3,543,756)
Cash dividend paid		(62,620,884)	(62,006,506)
Net Cash used for financing activities		**(66,928,721)**	**(66,314,050)**
D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)		**(26,311,884)**	**(48,938,158)**
E. Cash and Cash Equivalents at the beginning of the year		53,031,144	101,969,302
F. Cash and Cash Equivalents at the end of the year (D+E)		**26,719,260**	**53,031,144**
Net Operating Cash Flows Per Share (NOCFPS)	28.00	**1.63**	**2.48**

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Date: 03 November 2022
Place: Dhaka

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, 2020;

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 2022.

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, 2022;
ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2022;
iii) Statement of Changes in Equity for the year ended June 30, 2022;
iv) Statement of Cash Flows for the year ended June 30, 2022; and
v) Notes, comprising a summary of significant accounting policy and other explanatory information for the year ended June 30, 2022.

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, 2022	As at 30 June, 2021
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	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 and Other Receivables

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,

It was hard for the management to ensure bank accounts of all workers who belongs to marginal class of the society. The payment of WPPF was made in cash. The company had also made the contribution to 'Bangladesh Labour welfare Foundation' through designated government 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 2022 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 03 November, 2022.

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 2021 to 30th June 2022.

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, 2022 . 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 2022	30 June 2021
3.00	**Property, Plant and Equipment**		
	Opening Balance	2,094,509,701	1,869,159,996
	Add: Addition during the year	303,339,227	225,349,705
	Total Cost (a)	**2,397,848,928**	**2,094,509,701**
	Opening Balance	853,363,297	778,771,637
	Add: Depreciation Charged for the year	74,681,969	74,591,659
	Total Accumulated Depreciation (b)	**928,045,265**	**853,363,297**
	Written Down Value as at June 30, 2022 (a-b)	**1,469,803,663**	**1,241,146,404**
	The details of above has been shown in Annexure- 'A'		
4.00	**Right of Use Assets**		
	Opening Balance	11,429,609	-
	Add: Addition during the year		11,429,609
	Total Cost (a)	**11,429,609**	**11,429,609**
	Opening Balance	3,809,870	-
	Add: Depreciation Charged for the year	3,809,870	3,809,870
	Total Accumulated Depreciation (b)	**7,619,739**	**3,809,870**
	Written Down Value as at June 30, 2022 (a-b)	**3,809,870**	**7,619,739**
	The details of above has been shown in Annexure- 'B'		
5.00	**Capital Work-in -Progress**	**197,382,425**	**394,593,305**
5.01	**Construction of Building**		
	Opening Balance	297,237,305	243,517,716
	Add: Addition during the year	49,486,634	274,514,078
	Total:	**346,723,939**	**518,031,794**
	Less: Transfer to fixed assets during the year	176,077,550	220,794,489
	Total:	**170,646,389**	**297,237,305**
5.02	**Plant and Machinery**		
	Opening Balance	97,356,000	-
	Add: Addition during the year	26,736,036	97,356,000
	Total:	**124,092,036**	**97,356,000**
	Less: Transfer to fixed assets during the year	97,356,000	-
	Total:	**26,736,036**	**97,356,000**

Notes No.	Particulars	Amount in Taka	
		30 June 2022	30 June 2021
6.00	**Inventories**		
	Raw Materials (Note-21.01)	199,826,420	194,015,190
	Packaging Materials (Note-21.02)	20,473,058	13,415,155
	Work in Process (Note-21.00)	10,225,565	10,872,509
	Finished Goods (Note-21.00)	221,656,470	225,905,948
	Store Items (Note-21.03.01)	5,657,991	5,243,661
		457,839,504	**449,452,463**
7.00	**Trade and Other Receivables**		
	Trade Receivable	389,236,460	390,532,202
		389,236,460	**390,532,202**
	Ageing of the above Trade Receivable is given below:		
	More than six months	28,656,505	24,523,168
	Less than six months	360,579,955	366,009,034
		389,236,460	**390,532,202**

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	389,236,460	390,532,202
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	**Advances, Deposits and Prepayments**		
	Advances (Note-8.01)	135,250,977	138,017,272
	Deposits (Note-8.02)	1,576,827	1,576,827
	Prepayments (Note-8.03)	210,541	210,541
		137,038,345	**139,804,640**

Notes No.	Particulars		Amount in Taka	
			30 June 2022	30 June 2021
8.01	**Advances**			
	Advance to Employee		4,586,529	4,957,621
	Advance to Supplier		52,126,014	42,695,838
	Advance Income Tax (Note-08.01.01)		64,154,806	55,883,065
	L/C Margin	21	13,313,759	29,856,487
	VAT Current A/C.		1,069,869	3,164,738
	Others		-	1,459,523
			135,250,977	**138,017,272**
08.01.01	**Advance Income Tax**			
	Opening Balance		55,883,065	40,930,645
	AIT Paid during the year		8,271,741	14,952,420
			64,154,806	**55,883,065**
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**
9.00	**Cash and Cash Equivalent**			
	Cash in hand		8,856,721	12,042,345
	Cash at Bank (Note- 9.01)		17,862,539	40,988,799
			26,719,260	**53,031,144**
9.01	**Cash at Bank**		**17,862,539**	**40,988,799**
09.01.01	**Cash at Bank:**			
	Bank Asia CD# 01033005988		6,463,109	28,711,030
	City Bank Ltd., CD-402434003001			-
	City Bank Ltd., CD-3102434003001		2,141,835	1,234,260
	Bank Asia CD# 01036000766		1,210	42,089
	Pubali Bank Ltd., A/C No. C/D-28369010177223		569,363	2,463,585
	AB Bank Ltd., A/C No. C/D-4111-043420-000		32,231	33,151
	DBBL, A/C No. C/D-201.110.6703		391,030	933,172
	DBBL, A/C No. C/D-1881		529,337	
	DBBL, A/C No. C/D-1154		118,420	
	Pubali Bank Ltd., A/C No. C/D-3486901021357		775,754	2,340,372
	Prime Bank Ltd., A/C No. C/D-80025295/3115312009636		837,669	1,649,086
	Prime Bank Ltd., A/C No. C/D-60020426/3115111005507		5,416,821	2,672,368
	Standard Bank Ltd., A/C No. C/D-11033004387		356,237	587,164
	Total:		**17,633,016**	**40,666,277**

Notes No.	Particulars	Amount in Taka	
		30 June 2022	30 June 2021
09.01.02	**IPO Fund:**		
	EBL_ Principal Branch _BDT_A/C_1011360531186	33,316	33,396
	EBL_ Principal Branch_USD_A/C_1013050531221	150,218	150,364
	EBL_ Principal Branch_EURO_A/C_1013070531196	34,509	34,509
	Total:	**218,043**	**218,270**
09.01.03	**Balance of Portfolio :**		
	AB Scurities-Portfolio Code 08348	1,844	40,872
	City Borkarage-Portfolio Code C12003	9,637	63,380
	Total:	**11,481**	**104,252**
10.00	**Investment In Share:**		
	EASTLAND		7,700,000
	FEDERALINS	7,698,298	798,000
	KARNAPHOLI		866,000
	PEOPLESINS		616,200
	EASTLAND		8,096,550
	IFICBL		1,333,500
	SONALILIFE		187
	BENGALWTL	2,133,000	-
	ORIONPHARM	17,710,000	-
	PURABIGEN	2,121,000	-
	ASIA PACIFIC GICL	1,026,000	-
	BSC	5,865,000	
	RAHIMA FOOD	1,353,000	
	Total:	**37,906,298**	**19,410,437**
	The Company recognised its investment considering fare value i. e. market value on 30 June 2022.		
11.00	**Share Capital**		
11.01	**Authorized Share Capital**		
	105,000,000 ordinary shares of Tk. 10/= each.	**1,050,000,000**	**1,050,000,000**
11.02	**Issued, Subscribed and Paid-up Share Capital**		
	103,807,000 ordinary shares of Tk. 10/= each fully paid-up	1,038,070,000	1,038,070,000
	103,807,000 ordinary shares of Tk. 10/= each fully paid-up	**1,038,070,000**	**1,038,070,000**

Notes No.	Particulars	Amount in Taka	
		30 June 2022	30 June 2021

The shareholding position at the end of the year as on June 30, 2022 are shown below:

Category of Shareholders	No. of Ordinary Shares Held	Paid-up Capital (BDT)	Percentage (%) of Paid-up Capital
Directors & sponsor's, promoters	40,608,370	406,083,700	39.12%
Government	-		
Institution	9,336,950	93,369,500	8.99%
Foreign	-		
General Public	53,861,680	538,616,800	51.89%
Total	**103,807,000**	**1,038,070,000**	**100%**

The range of shareholdings are shown below:

SL No	Shareholding Range	No. of Shareholders	No. Of Shares	Percentage
1	Upto 100 Shares	573	21,652	0.02%
2	From 101 to 500 Shares	1,080	398,411	0.38%
3	From 501 to 1,000 Shares	1,255	932,126	0.90%
4	From 1,001 to 10,000 Shares	2,005	8,273,510	7.97%
5	From 10,001 to 20,000 Shares	360	5,283,476	5.09%
6	From 20,001 to 50,000 Shares	208	7,025,305	6.77%
7	From 50,001 to 1,00,000 Shares	94	7,428,572	7.16%
8	From 100,001 to 10,00,000 Shares	109	20,593,389	19.84%
9	From 10,00,001 to 50,00,000 Shares	13	33,969,016	32.72%
10	From 50,00,001 to 1,00,00,000 Shares	1	5,951,000	5.73%
11	From 1,00,00,001 and above Shares	1	13,930,543	13.42%
Total:		**5,699**	**103,807,000**	**100.00%**

12.00	**Retained Earnings**		
	Opening balance	1,230,318,041	1,208,429,254
	Add: Profit during the year	84,451,216	84,647,417
	Total:	**1,314,769,257**	**1,293,076,671**
	Less: Cash Dividend @10% for the year (2020-2021)	(63,528,630)	(62,758,630)
	Closing Balance	**1,251,240,627**	**1,230,318,041**
13.00	**Deferred Tax Liabilities**		
	WDV as Accounting base	1,469,803,663	1,241,146,404
	WDV as Accounting base (ROU)	3,809,870	7,619,739
	WDV as per Tax base	(802,123,736)	(616,653,246)
	Lease Obligation*	(3,902,005)	(7,675,312)
	Temporary Difference	**667,587,791**	**624,437,586**
	Applicable Tax Rate	22.50%	22.50%
	Deferred Tax Closing Balance	**150,207,253**	**140,498,457**

Notes No.	Particulars	Amount in Taka	
		30 June 2022	30 June 2021
	***Lease Obligation**		
	Lease Liability as on 30 June 2022	4,112,546	7,885,853
	Less: Advance	(210,541)	(210,541)
		3,902,005	**7,675,312**
14.00	**Trade and Other Payable**		
	Trade Payable	12,334,060	16,154,859
		12,334,060	**16,154,859**
15.00	**Lease Liabilities**		
	Opening balance	7,885,853	-
	Add: Addition during the year (Principle)	-	11,429,609
	Add: Addition during the year (Interest)	534,237	763,788
	Less: Paid during the year	(4,307,544)	(4,307,544)
		4,112,546	**7,885,853**
	Less: Curent Portion	4,112,546	3,773,307
	Non- Current Portion	**-**	**4,112,546**
16.00	**Provision for Expenses**		
	Electricity, Gas & Water Bills	264,343	474,349
	Salary & Wages	4,420,157	5,649,993
	Director Remuneration	45,000	45,000
	Sundry Creditors	1,922,085	3,956,847
	Audit Fees	345,000	345,000
		6,996,585	**10,471,189**
17.00	**Liabilities for contribution to WPPF**		
	Opening Balance	10,735,596	6,254,023
	Add: Addition during the year	5,447,942	4,481,572
		16,183,537	**10,735,596**
	Less: Paid during the year	6,254,023	-
		9,929,514	**10,735,596**
18.00	**Dividend Payables (Unclaimed)**		
	Opening Balance	1,234,260	482,136
	Add: Addition during the year	63,528,630	62,758,630
		64,762,890	**63,240,766**
	Less: Paid during the year	62,620,884	62,006,506
		2,142,006	**1,234,260**
19.00	**Provision for income tax**		
	Opening Balance	240,406,977	223,617,239
	Add: Charge for the year (Note-25.01)	14,798,820	16,789,738
		255,205,797	**240,406,977**

Notes No.	Particulars	Amount in Taka	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
20.00	**Turnover**		
	Sales of Finished Goods (Local Sales)	559,469,717	598,788,821
	Sales of Finished Goods (Export Sales)		2,272,283
		559,469,717	601,061,104
21.00	**Cost of Goods Sold**		
	Raw materials Consumed (21.01)	180,387,548	235,936,417
	Packaging materials consumed (21.02)	56,939,917	80,436,022
	Total materials consumption	237,327,465	316,372,439
	Add: Work in process-Opening	10,872,509	17,997,426
	Less: Work in process-Closing	10,225,565	10,872,509
	Total consumption	**237,974,409**	**323,497,356**
	Add: Factory Overhead	132,754,025	136,199,350
	Cost of production	**370,728,434**	**459,696,706**
	Add: Finished goods-Opening	225,905,948	201,984,563
	Production available for Sales	**596,634,382**	**661,681,269**
	Less: Finished goods-Closing	221,656,470	225,905,948
	Less: Sample Expenses	2,782,287	3,108,862
	Cost of Goods Sold	**372,195,625**	**432,666,459**
21.01	**Raw materials consumed**		
	Opening Stock	194,015,190	210,943,022
	Add: Purchase during the year	186,198,778	219,008,586
	Raw materials available for production	**380,213,968**	**429,951,607**
	Less: Closing Stock	199,826,420	194,015,190
		180,387,548	**235,936,417**
21.02	**Packaging Materials Consumed**		
	Opening Stock	13,415,155	18,632,738
	Add: Purchase during the year	63,997,820	75,218,439
	Consumable Item available for packing	**77,412,975**	**93,851,177**
	Less: Closing Stock	20,473,058	13,415,155
		56,939,917	**80,436,022**
21.03	**Factory Overhead**		
	Salary, Wages & allowance	27,213,253	23,253,877
	Medical Expenses	684,863	608,954
	Food & Tiffin	216,558	1,468,894
	Labor Charge	2,082,023	2,537,295
	Research & Development	1,276,909	1,615,296
	Carrying Charge	4,422,395	5,141,252
	Fuel & Oil	11,913,235	8,941,619
	Postage, Telephone & Fax	470,547	576,450
	Printing and Stationary	3,000,312	3,195,981

	Rent (Warehouse)	-	6,825,288
	Repairs & Maintenance	2,839,607	2,912,013
	Electricity, Gas & Water Bills	2,259,235	4,155,791
	Store items (21.03.01)	3,540,001	3,922,460
	Other Overhead	2,634,037	928,020
	Depreciation (Annexure-A)	70,201,051	70,116,160
		132,754,025	**136,199,350**
21.03.1	**Store Items**		
	Opening Balance	5,243,661	5,152,359
	Add: Purchase during the year	3,954,332	4,013,762
	Total:	**9,197,992**	**9,166,121**
	Less: Consumption during the year	3,540,001	3,922,460
	Closing Balance	**5,657,991**	**5,243,661**
22.00	**Operating Expenses**		
	Administrative Expenses (Note-22.01)	21,935,376	19,621,027
	Selling & Distribution Expenses (Note-22.02)	62,409,507	64,902,943
		84,344,883	**84,523,970**
22.01	**Administrative Expenses**		
	Salary & Allowance	15,240,883	12,456,362
	Director Remuneration (MD)	540,000	540,000
	Postage, Telephone & Fax	136,186	139,778
	Traveling & Conveyance Expenses	428,340	611,024
	Repair & Maintenance	227,433	282,813
	Electricity, gas, Fuel & Water	338,133	467,964
	Printing and Stationery	502,273	606,063
	Subscription & Donation	87,500	127,446
	Entertainment	213,823	199,076
	Training Expense	101,513	102,382
	Audit Fee -	345,000	345,000
	Miscellaneous Expenses	21,010	29,690
	Newspaper & Periodical	77,411	49,363
	Annual fees & AGM Expenses	1,275,228	1,265,228
	Depreciation (Annexure-A)	1,493,639	1,491,833
	Depreciation (Annexure-B-ROU)	907,004	907,004
		21,935,376	**19,621,027**
22.02	**Selling & Distribution Expenses**		
	Salary & Allowance	34,690,247	31,530,504
	Transportation and Handling Expenses	5,415,539	6,020,853
	Repair and Maintenance	294,682	348,655
	Food Allowance	477,647	2,380,684
	Delivery Expenses	2,461,652	2,672,079
	Advertisement	308,539	495,202
	Postage, Telephone & Fax	1,223,279	1,224,103
	Electricity,Water, Gas & fuel	429,451	688,055
	Sales promotion expenses	4,535,611	5,704,997
	Traveling & Conveyance Expenses	1,445,158	1,174,539
	Entertainment Expenses	717,138	978,105

	Training Expense	831,195	1,407,172
	Samples Expenses	2,782,287	3,108,862
	Printing & Stationery	513,797	621,975
	Miscellaneous Expenses	393,141	660,628
	Depreciation (Annexure-A)	2,987,279	2,983,666
	Depreciation (Annexure-B-ROU)	2,902,866	2,902,866
		62,409,507	**64,902,943**
23.00	**Financial Expenses**		
	Bank Charges Expenses	316,932	446,948
		316,932	**446,948**
24.00	**Non-operating Income**		
	Interest Income (FDR and Bank)	-	6,123,244
	Realized gain on Sale of Share	6,476,014	421,739
	Realized gain on export proceed	-	2,678
	Sales of Wastage	3,695,470	3,363,121
	Dividend Income	324,842	-
	Sale of Sand	1,832,407	1,542,300
		12,328,733	**11,453,082**
25.00	**Income Tax Expenses/(Income)**		
	Current Tax (Note-25.01)	14,798,820	16,789,738
	Deferred Tax (Note-25.02)	9,708,796	(11,805,707)
		24,507,616	**4,984,031**
25.01	**Current Tax**		
	A. Regular Tax		
	Profit before Tax	108,958,832	89,631,449
	Less: Dividend Income	324,842	-
	Business Income	108,633,990	89,631,449
	Add: Depreciation as Accounting base	74,681,969	74,591,659
	Add: Interest on Lease	534,237	763,788
	Add: Depreciation as Accounting base (ROU Assets)	3,809,870	3,809,870
	Total:	**187,660,065**	**168,796,766**
	Depreciation as per Tax base	(117,868,737)	(89,868,162)
	Lease Payment	(4,307,544)	(4,307,544)
	Taxable Profit	**65,483,784**	**74,621,059**
	Income Tax Rate	22.50%	22.50%
	Current Tax for business income	**14,733,851**	**16,789,738**
	Tax from Dividend Income @ 20%	**64,968**	**-**
	Total current tax	**14,798,820**	**16,789,738**
25.02	**Deferred Tax**		
	Deferred Tax Liability Closing (Note-13.00)	150,207,253	140,498,457
	Deferred Tax Liability Opening	140,498,457	152,304,164
	Deferred Tax Expenses/(Income) during the year	**9,708,796**	**(11,805,707)**

26.00 Earnings Per Share (EPS)

a) Net Profit after Tax	84,451,216	84,647,417
b) Total Number of Share outstanding	103,807,000	103,807,000
Earnings Per Share (EPS) (a/b)	**0.81**	**0.82**

27.00 Net Asset Value (NAV) Per Share

Total Assets	2,719,735,824	2,695,590,335
Less: Total Liabilities	441,112,489	427,572,212
A. Net Asset Value (NAV)	**2,278,623,335**	**2,268,018,123**
B. Total Number of Share outstanding	103,807,000	103,807,000
Net Asset Value (NAV) Per Share (A/B)	**21.95**	**21.85**

28.00 Net operating cash flow per share (NOCFPS)

a) Net Operating Cash Flows	169,082,404	257,205,006
b) Weighted average number of shares outstanding	103,807,000	103,807,000
Net operating cash flow per share (NOCFPS) (a/b)	**1.63**	**2.48**

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.)	
	30 June 2022	30 June 2021
Net Profit before Tax	108,958,832	89,631,449
Adjustments to reconcile net income to net cash provided by operating activities:		-
Depreciation on Fixed Assets	78,491,839	78,401,529
Unrealized Foreign Exchange Gain/Loss		-
Interst on lease	534,237	763,788
Gain on Investment	(6,476,014)	(421,739)
Increase in Inventories	(8,387,041)	5,257,645
Increase in Trade Receivables	1,295,743	94,457,798
FDR Interest Receivable		-
Increase in Advance, Deposits and Prepayments	11,038,036	2,284,700
Increase in provision for expenses	(3,474,604)	(2,269,906)
Increase in Liabilities for WPPF	(806,082)	4,481,572
Decrease in Trade Payables	(3,820,799)	(429,410)
Income tax paid	(8,271,741)	(14,952,420)
Net Cash Generated from Operating Activities	169,082,404	**257,205,006**

Net Cash Generated from Operation Activities (direct Method)	169,082,404	257,205,006
Difference	**NIL**	**NIL**

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

Remuneration:

Name of Directors	Designation	Transaction during the year	Outstanding as on June 30, 2022	Outstanding as on June 30, 2021
Dr. Md. Badrul Haque Rukan	Managing Director	540,000	45,000	45,000

(b) Post-employee benefits

(c) Other long term benefits

(d) Termination benefits and

(e) Share-based payment

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

b) Expenses reimbursed to the Managing Agent;

c) Commission or Remuneration payable separately to a managing agent or his associate;

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.;

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.;

f) Any other perquisite or benefits in cash or in kind stating, approximate money value where practicable ;

g) Other allowances and commission including guarantee commission;

pensions etc.:

(i) Pensions
(ii) Gratuities

(iii) Payments from a provident funds, in excess of own subscription and interest thereon

(iv) Compensation for loss of office

(v) Consideration in connection with retirement from office.

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

Particulars	Nature of Payment	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Directors (Managing Director)	Remuneration	540,000	540,000
Officers and Executives	Salary and other Allowances	15,240,883	12,456,362
Total		15,780,883	12,996,362

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 year from 01.07.2021 to 30.06.2022, there was 05 (Five) Board Meetings held. The attendance status of the meeting is as follows:

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

31.00	**Received from Customers**		
	Sales during the year	559,469,717	601,061,104
	Add: Opening Receivables	390,532,203	484,990,001
	Less: Closing Receivables	389,236,460	390,532,203
	Total	**560,765,459**	**695,518,902**
32.00	**Paid to Suppliers**		
	Purchase during the year	254,150,929	298,240,786
	Add: Opening Payables	16,154,859	16,584,269
	Less: Closing Payables	12,334,060	16,154,859
	Add: Closing Advance to Supplier	66,509,642	75,717,063
	Less: Opening Advance to Supplier	75,717,063	78,059,911
	Total	**248,764,307**	**296,327,348**
33.00	**Paid to Employees**		
	Salary, Wages Including Bonus	77,684,383	67,780,743
	Add: Opening Payables	5,694,993	6,518,725
	Less: Closing Payables	4,465,157	5,694,993
	Add: Closing Advance to Employee	4,586,529	4,957,621
	Less: Opening Advance to Employee	4,957,621	5,000,000
	Total	**78,543,127**	**68,562,095**
34.00	**Paid to Others**		
	Manufacturing overhead	102,000,771	109,023,012
	Administrative Expenses	6,154,493	6,624,665

Selling Expenses	27,719,260	33,372,439
WPPF	5,447,942	4,481,572
Add: Opening WPPF Payables	10,735,596	6,254,023
Less: Closing WPPF Payables	9,929,514	10,735,596
Add: Opening Payables to electricty, gas & water	4,776,196	6,222,370
Less: Closing Payables to electricty, gas & water	2,531,428	4,776,196
Add: Closing Advance to security deposit	1,787,368	3,246,891
Less: Opening Advance to security deposit	3,246,891	3,146,363
Less: Sample Expenses	2,782,287	3,108,862
Less: Depreciation (PPE)	74,681,969	74,591,659
Less: Depreciation (ROU)	3,809,870	3,809,870
Total	**61,639,667**	**69,056,428**

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	155,528,410	55.55%
Capsules	Pcs.	150,000,000	69,043,608	46.03%
Liquid Syrup	Bottles	4,000,000	11,049,725	276.24%
Dry Surup	Bottles	1,000,000	504,241	50.42%
Pellet	Kg	300,000	136,379	45.46%
Powder	Phials	1,000,000	528,816	52.88%
Powder of Suspension	Bottles	500,000	504,216	100.84%
SRS Saline	Pcs.	20,000,000	20,020,044	100.10%
Total		**456,800,000**	**257,315,440**	**56.33%**

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, 2022)

Salary Range	Officer & Staff		Marketing Staff	Total Employee
	Factory	Head Office		
Below 6000	11	9	45	65
Above 6000	37	118	80	235
Total	**48**	**127**	**125**	**300**

37.00 General

a) Audit Fee: Audit fee of Tk. 3,45,000.00 represented only the audit fees and VAT thereon.

b) Capital Expenditure Contract

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

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, 2022.

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.

E) 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.

38.00 Significant Deviation

The Revenue of the company has decreased due to flood situation in Sylhet as well as net profit after tax has decreased due to increase of income tax expense for the current year compare to previous year. Earnings Per Share (EPS) has decreased compare to Previous year due to decrease of net profit after tax. Net cash flows from operation activities decreased due to decrease of collection from customers as well as NOCFPS has decreased compare to previous year for the same. NAV has increased current year compare to previous year due to increase of shareholder equity. Increase non-operating income of the current year compare to the previous year due to the Company Received dividend income on its investment.

Silco Pharmaceuticals Limited
Schedule of Property, Plant & Equipment
As at June 30, 2022

Annexure-A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at June 30, 2022
	Balance as on 1st July 2021	Addition during the year	Balance as on June 30, 2022		Balance as on 1st July 2021	Charge during the year	Balance as on June 30, 2022	
Land and Land Development	74,854,740	-	74,854,740	-	-	-	-	74,854,740
Building	700,047,189	180,206,734	880,253,923	2.50%	92,072,607	18,558,280	110,630,886	769,623,036
Plant & Machinery	1,146,205,503	115,022,694	1,261,228,197	10.00%	670,427,901	47,389,699	717,817,600	543,410,597
Electrical Equipment	23,233,215	2,286,645	25,519,860	10.00%	13,015,208	1,054,987	14,070,195	11,449,665
Electrical Installation	51,407,688	1,200,790	52,608,478	10.00%	32,645,856	1,873,947	34,519,803	18,088,675
Furniture & Fixture	18,387,711	1,719,272	20,106,983	10.00%	8,334,988	1,017,944	9,352,932	10,754,051
Office Equipment	9,061,692	152,400	9,214,092	10.00%	4,455,382	458,281	4,913,662	4,300,430
Computer	4,744,662	1,177,150	5,921,812	20.00%	3,244,370	370,515	3,614,885	2,306,927
Transformer	12,738,550	-	12,738,550	10.00%	8,593,428	406,740	9,000,168	3,738,382
Vehicles	40,844,615	456,200	41,300,815	10.00%	10,140,261	3,031,683	13,171,944	28,128,871
Air Condition	6,675,456	597,842	7,273,298	20.00%	5,204,161	305,547	5,509,708	1,763,590
Fire Extinguisher	6,308,680	519,500	6,828,180	20.00%	5,229,134	214,347	5,443,481	1,384,699
Balance as on June 30, 2022	**2,094,509,701**	**303,339,227**	**2,397,848,928**		**853,363,297**	**74,681,969**	**928,045,265**	**1,469,803,663**

Allocation of Depreciation	Rate (%)	Taka
Factory Expenses	94.00%	70,201,051
Administrative Expenses	2.00%	1,493,639
Selling & Distribution Expenses	4.00%	2,987,279
Total	**100%**	**74,681,969**

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**

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 Right of Use Asset
As at June 30, 2022

Annexure-B

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at June 30, 2022
	Balance as on 1st July 2021	Addition during the year	Balance as on June 30, 2022		Balance as on 1st July 2021	Charge during the year	Balance as on June 30, 2022	
Office Rent (Head Office)	969,773	-	969,773	33.33	323,258	323,258	646,515	323,258
Office Rent (DO)	1,751,240	-	1,751,240	33.33	583,747	583,747	1,167,493	583,747
Office Rent (BDO)	1,034,823	-	1,034,823	33.33	344,941	344,941	689,882	344,941
Office Rent (BOG-DO)	2,260,850	-	2,260,850	33.33	753,617	753,617	1,507,234	753,617
Office Rent (KBO-DO)	1,241,788	-	1,241,788	33.33	413,929	413,929	827,859	413,929
Office Rent (MBO-DO)	1,241,788	-	1,241,788	33.33	413,929	413,929	827,859	413,929
Office Rent (NDO-DO)	1,783,080	-	1,783,080	33.33	594,360	594,360	1,188,720	594,360
Office Rent (CDO-DO)	1,146,266	-	1,146,266	33.33	382,089	382,089	764,177	382,089
Balance as on 30 June, 2022	**11,429,609**	**-**	**11,429,609**		**3,809,870**	**3,809,870**	**7,619,739**	**3,809,870**

Silco Pharmaceuticals Limited
Schedule of Right of Use Asset
As at June 30, 2021

Annexure-B

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	
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)		1,783,080	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**

Silco Pharmaceuticals Limited

Discluser 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	1,670,995,957	3,809,870	1,667,186,087
Current Assets	1,048,739,867	-	1,048,739,867
Total	**2,719,735,824**	**3,809,870**	**2,715,925,954**
Shareholders Equity and Liabilities			
Shareholders Equity	2,278,623,335	(6,362)	2,278,629,697
Non-Current Liabilities	150,207,253	-	150,207,253
Current Liabilities	290,905,236	3,816,231	287,089,004
	2,719,735,824	**3,809,869**	**2,715,925,954**

Statement of Profit or Loss and other Comprehensive Income

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption ofIFRS-16
Turnover	559,469,717	-	559,469,717
Gross Profit	187,274,092	-	187,274,092
Less: Operating Expenses	84,344,883	497,674	84,842,557
Less: Financial Expenses	316,932	-	316,932
Less: Financial Expenses (Lease)	534,237	(534,237)	-
Non-operation Income	12,328,733	-	12,328,733
Profit before Contribution to WPPF			114,443,336
Less: Workers' Profit Participation/Welfare Fund (WPPF)	5,447,942	1,741	5,449,683
Profit before Income Tax			**108,993,653**
Less: Provision for Income Tax	24,507,616	28,460	24,536,076
Current Tax	14,798,820	7,729	14,806,549
Deferred Tax	9,708,796	20,730	9,729,527
Net Profit after Tax (Transferred to CE)	**84,451,216**	**(6,362)**	**84,457,578**

Statement of Cash Flows

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption ofIFRS-16
A. Cash Flows from Operating Activities	169,082,404	4,307,544	164,774,860
B. Cash Flows from Investing Activities	(128,465,567)	-	(128,465,567)
C. Cash Flows from Financing Activities	(66,928,721)	(4,307,544)	(62,621,177)
D. Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	**(26,311,884)**	**-**	**(26,311,884)**
E. Cash and Cash Equivalents at the beginning of the year	53,031,144	-	53,031,144
F. Cash and Cash Equivalents at the end of the year (D+E)	**26,719,260**		**26,719,260**

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 27th Annual General Meeting of the Company to be held on Tuesday, 10th January, 2023 at 11:30 a.m at virtually by using digital platform and/ or at any adjournment there of or at any ballot to be taken in consequence hereof.

Revenue Stamp

Tk. 20.00

(Signature of the Shareholder) (Signature of Proxy)

BO ID No.

No. of Shares held ..... Dated.....

Note:

1) This form of proxy, duly filled , signed and stamped must be deposited at the Company's Registered office not later than 72 hours before the AGM.
2) Signature of the Shareholder must be in accordance with Specimen Signature recorded with the Company.

Silco Pharmaceuticals Limited

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

ATTENDANCE SLIP

I hereby record my attendance at 27th Annual General Meeting of the Company being held on Tuesday, 10th January, 2023 at 11.30 a.m. at virtually by using digital platform at the registered office.

Name of the Member/Proxy…….

BO ID No.

No. of Shares held ..... Dated.....

(Signature of Proxy) (Signature of the Shareholder)

Date .....

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

















SILCO

SILCO PHARMACEUTICALS LIMITED

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