



SOCIAL MARKETING COMPANY  
**ANNUAL REPORT**  
| JULY 2021 - JUNE 2022 |



# ANNUAL REPORT

(July 2021 - June 2022)



SOCIAL MARKETING COMPANY



### **Vision of Social Marketing Company (SMC)**

SMC's vision is to be a world-class social enterprise recognized for its contribution to the advancement of social marketing thoughts, principles and practices that aim to better the health and wellbeing of women, children, families and the society.



In partnership with the government, development partners and the private sector, SMC's overall mission is to improve the health and wellbeing of women, children and families through social marketing of products and services in family planning, maternal and child health, nutrition and other socially beneficial areas.

### **Mission of SMC**



### **Mission of SMC Enterprise Limited (SMC EL)**

The mission of SMC Enterprise Ltd is to support SMC to grow as a successful social enterprise by making surplus funds from profitable operations available for investment in program operations designed to enhance social good.



Profit must primarily contribute to social betterment.

### **Philosophy**



### **Core Values**

- Our organizational interest is at the foremost
- We never compromise on quality and satisfying our customers' needs
- We challenge ourselves everyday to do better and achieve more
- We hold dearly our values of integrity, respect and fairness for all



## Company Information

	<b>SOCIAL MARKETING COMPANY</b>	<b>SMC ENTERPRISE LIMITED</b> (A fully owned subsidiary of SMC)
<b>Registered Address</b>	SOCIAL MARKETING COMPANY Registered Office: SMC Tower, Road-17 33 Banani Commercial Area Dhaka-1213, Bangladesh	SMC ENTERPRISE LIMITED Registered Office: SMC Tower, Road-17 33 Banani Commercial Area Dhaka-1213, Bangladesh
<b>Factory Address</b>		<b>HYGIENE PRODUCTS FACTORY</b> Dhaka Chattogram Old Trunk Road 85/2, Baubond Sadar Dakshin Cumilla-3500  <b>ORS FACTORY</b> Holding No. 5/82, Zamirdia, Hobir Bari, P.O.: Seed Store Bazar P.S: Bhaluka, Mymensingh
<b>Statutory Auditors</b>	<b>MABS &amp; J PARTNERS</b> Chartered Accountants SMC Tower (7 <sup>th</sup> floor), Road-17 33 Banani Commercial Area Dhaka-1213, Bangladesh	
<b>Main Bankers</b>	Pubali Bank Limited Banani Branch  Dutch-Bangla Bank Limited Banani Branch  Standard Chartered Bank Gulshan Branch  Brac Bank Banani Branch  Uttara Bank Limited Gulshan Branch	Pubali Bank Limited Banani Branch  The City Bank Limited Gulshan Branch  Standard Chartered Bank Gulshan Branch  First Security Islami Bank Limited Banani Branch  Uttara Bank Limited Gulshan Branch  Eastern Bank Limited Gulshan Branch
<b>Tax Consultants</b>	<b>K.M. Hasan &amp; Co.</b> 87, New Eskaton Road, Dhaka-1000	



	<b>SOCIAL MARKETING COMPANY</b>	<b>SMC ENTERPRISE LIMITED</b> (A fully owned subsidiary of SMC)
<b>Legal Advisor</b>	H & H Company 56-57, Motijheel Commercial Area Shareef Mansion (2nd Floor) Dhaka-1000. Bangladesh	H & H Company 56-57, Motijheel Commercial Area Shareef Mansion (2nd Floor) Dhaka-1000. Bangladesh  Md. Fazlur Rahman Khan Legal Access, SIAAM Tower Level-5, Plot-15, Sector-3, Uttara Dhaka
<b>Company Website</b>	<a href="http://www.smc-bd.org">www.smc-bd.org</a>	
<b>Company Social Media</b>	<a href="http://www.facebook.com/smcnonprofit">www.facebook.com/smcnonprofit</a>	
<b>Company LinkedIn</b>	<a href="http://www.linkedin.com/company/socialmarketingcompany">www.linkedin.com/company/socialmarketingcompany</a>	



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## Abbreviations/Acronyms

ACTB	Alliance for Combating Tuberculosis in Bangladesh
AGM	Annual General Meeting
AoA	Articles of Association
BCC	Behavior Change Communication
BDHS	Bangladesh Demographic and Health Survey
BS	Blue Star
BSEC	Bangladesh Securities and Exchange Commission
BSP	Blue Star Provider
BSTI	Bangladesh Standards and Testing Institution
CFO	Chief Financial Officer
CIFF	Children's Investment Fund Foundation
CP	Consumer Product
CPR	Contraceptive Prevalence Rate
CYP	Couple-Years of Protection
CWH	Central Warehouse
DGDA	Directorate General of Drug Administration
DGFP	Directorate General of Family Planning
DGHS	Directorate General of Health Services
DKT International	Deep K. Tyagi International
DOTS	Directly Observed Therapy, Short-course
DQA	Data Quality Assessment
ECP	Emergency Contraceptive Pill
EDCL	Essential Drugs Company Limited
FC-LARC	Field Coordinators, Long Acting Reversible Contraceptive
FMCG	Fast-Moving Consumer Goods
FMD	Food Manufacturing Division
FRH&C	Female Reproductive Health and Contraceptives
GAIN	Global Alliance for Improved Nutrition
GDS	Group Detailing Session
GH&N	General Health and Nutrition
GM	General Manager
GMP	Growth Monitoring and Promotion
GoB	Government of Bangladesh
GPM	Gallons Per Minute
GS	Green Star
GSM	Gold Star Member
GSP	Green Star Provider
H & H	Health & Hygiene
HTSP	Healthy Timing and Spacing of Pregnancy
HVAC	Heating, Ventilation, and Air Conditioning



## Abbreviations/Acronyms

icddr,b	International Centre for Diarrheal Disease Research, Bangladesh
IFA	Iron and Folic Acid
IFRS	International Financial Reporting Standards
IPC	Inter Personal Communication
ISA	International Standards on Auditing
IUD	Intrauterine Device
IYCF	Infant and Young Child Feeding
KVA	Kilo Volt Amperes
LAPM	Long-Acting and Permanent Method
LARC	Long-Acting Reversible Contraceptive
LBW	Low Birth Weight
M&E	Monitoring and Evaluation
MD	Managing Director
MD & CEO	Managing Director & Chief Executive Officer
MISHD	Marketing Innovations for Sustainable Health Development
MMS	Multiple Micronutrient Supplements
MNP	Micronutrient Powder
MUAC	Mid-Upper Arm Circumference
MWRA	Married Women of Reproductive Age
NBR	National Board of Revenue
NGMP	Non-Graduate Medical Practitioner
NGO	Non-government Organization
OCP	Oral Contraceptive Pill
ORS	Oral Rehydration Solution
OVC	Online Video Commercial
PC	Palli Chikitschok
PM	Permanent Method
PO-TSD	Program Officer-Training and Service Delivery
PSP	Pink Star Provider
RJSC	Registrar of Joint Stock Companies & Firms
RMG	Ready-made Garment
SDG	Sustainable Development Goal
SDK	Safe Delivery Kit
SGA	Small for Gestational Age
SGS	General Society of Surveillance
SMC	Social Marketing Company
SMC EL	SMC Enterprise Limited
TB	Tuberculosis
TVC	Television Commercial
USAID	United States Agency for International Development



# Overview of Social Marketing Company

SMC started social marketing program in Bangladesh in 1974. Overall mission of SMC is to improve the health and wellbeing of women, children and families through social marketing of products and services in family planning, maternal and child health, nutrition and other socially beneficial areas in partnership with the government, development partners and private sector. SMC and USAID have continued their partnership over the last 48 years and SMC is considered as one of the successful investments of USAID.



SMC is a major contributor to the Bangladesh national health and family planning program. It markets a full range of family planning products, Oral Rehydration Salt (ORS), Micronutrient Powder (MNP), Multiple Micronutrient Supplement (MMS), Deworming tablets, Zinc and other public health products. SMC operates the biggest ORS manufacturing facility in the country having a market share of around 61%. SMC's sanitary napkin has quickly become the second most popular brand in the country which is produced in its own manufacturing plant. SMC's MNP is contributing to reduce iron deficiency anemia among the children under-5 years. Its MMS contributing to improve nutrition status of the pregnant women of the country. The Company has an extensive sales and distribution network and field-level program operations across the country.

## Manufacturing Units of SMC

- ORS and MNP Manufacturing Facility at Bhaluka, Mymensingh
- Food Manufacturing Facility at Bhaluka, Mymensingh
- Health & Hygiene Factory in Cumilla
- Electrolyte Drink Manufacturing Plant at Bhabanipur, Gazipur (in process)

SMC has an extensive distribution system across the country to facilitate its nationwide sales efforts. A state of excellent Central Warehouse of SMC is located at Bhaluka, Mymensingh.

According to the Bangladesh Demographic and Health Survey (BDHS) 2017, SMC has remarkably contributed

to increase Contraceptive Prevalence Rate (CPR) at the national level by sharing 47% pills, 62% condoms and 33% injectables. In total, SMC contributed 38% of the modern contraceptive method use nationally. As per the 2021 Contraceptive Social Marketing Statistics released by DKT International, USA, SMC was ranked as the second-largest contraceptive social marketing organization globally in terms of numbers of Couples-Years of Protection (CYPs) delivered.



SMC implements its program with extensive national coverage through its five Star networks engaging different level of providers in the private sectors. Blue Star Program – a network of around 10,000 private sector non-graduate providers; the Green Star Program – a network of more than 4,500 drug sellers and the Pink Star Program – a network of 500 graduate providers, mostly Obstetricians and Gynecologists. The most recent network of SMC is Rose Star engaging Pediatricians to counsel on nutrition and growth monitoring for the children under five years. SMC improves the skills of these private providers through basic and periodic refresher trainings. These networks are branded by SMC to promote it as outlets to offer quality public health services. SMC's community mobilization program in rural areas of 104 upazilas under 32 districts has been recognized for successfully disseminating health messages and promoting public health products at the community level.



Based on positive experience in rural areas, SMC started to replicate its Gold Star model in peri-urban population in Dhaka, Chattogram, Barishal and Sylhet. As a major intervention in the community mobilization program, SMC engaged 3,216 women entrepreneurs (known as Gold Star Member) to make public health products and information accessible at the household level in these upazilas.

In 2014, SMC formed SMC Enterprise Ltd (EL), a for-profit subsidiary to separate profitable activities from nonprofit to effectively manage a growing and complex operation. The Pharmaceutical Division of SMC EL started its journey in 2017 with the key objective of “no one should suffer, especially the less-privileged ones due to lack of affordable quality medicine.” Currently, the Pharma Division sells 36 products in the market.

SMC established two clinics - one in 2018 and another one in 2021 in order to provide quality health care and diagnostic services at an affordable price. SMC is now implementing these health clinics to create a sustainable model keeping provision of consultation services, diagnosis and testing facilities, and a pharmacy.

**ORS Factory of SMC at Bhaluka, Mymensingh**



**SMC Niltara Clinic at Mohammadpur, Dhaka**



**A Pink Star provider is counseling a potential LARC client**



**Community Mobilizer is conducting adolescent health session**



**A Gold Star member is selling product in community**



**A group session with married women of reproductive age**



Program type / networks	# of district covered	# of Upazila covered	# of members/outlets
Blue Star	64	492	9,900
Green Star	64	492	4,363
Pink Star	55	-	500
Rose Star	5	-	77
Gold Star (Rural)	32	104	3,048
Gold Star (Urban)	7	7	186
Pharmacy	64	492	157,834
Non-pharmacy	64	492	558,330

The above networks and outlets are covered through 12 sales offices using the following field forces

- 217 Sales Forces
- 350 Medical Information Officers
- 110 Field Program staff

In its long journey from a project to a thriving social enterprise, SMC is now considered as one of the largest private sector partners of the Government of Bangladesh and USAID.



# Milestones

**1974**

Family Planning Social Marketing Project (FPSMP) established under a tripartite agreement among Population Services International (PSI), GOB and USAID

**1975**

The distribution of USAID-donated Raja condom and Maya contraceptive pill started through private sector outlets

**1985**

FPSMP launched Oral Rehydration Salt (ORS) to address high diarrheal deaths due to dehydration

**1990**

FPSMP became Social Marketing Company (SMC), a private not-for-profit organization under the Companies Act of 1913 with a voluntary Board

**1997**

SMC became a direct recipient of USAID funds with the departure of PSI

**1998**

'Blue Star Network' introduced to offer quality public health services for the community people

**2000**

SMC Tower (the headquarter building of SMC) inaugurated at Banani, Dhaka

**2004**

ORS manufacturing facility started at Bhaluka, Mymensingh

**2008**

Central Warehouse inaugurated at Bhaluka, Mymensingh

**2008**

'SMC Zinc' (the essential micronutrient) launched as an adjunct therapy to treat child diarrhea with ORS

**2008**

'MoniMix' (the micronutrient powder) launched to improve nutritional status of children (6 months to 5 years of age)

**2012**

SMC became fully sustainable recovering more than 100% of non-program related costs

**2012**

SMC was awarded USAID-funded Marketing Innovation for Health (MIH) project through a competitive bidding

**2013**

'Joya' Sanitary Napkin launched to ensure good hygiene of women during menstruation

**2013**

'Pink Star Network' formed to provide Long-acting Reversible Contraceptive (LARC) services through graduate doctors

**2013**

'Gold Star Network' formed to develop women entrepreneurs for creating demand and selling public health products

**2014**

SMC Enterprise Ltd formed as a fully-owned for-profit subsidiary company of SMC

**2015**

Bogura Regional Office and Warehouse inaugurated

**2016**

The construction of hygiene manufacturing plant in Cumilla started

**2016**

SMC was awarded the Marketing Innovation for Sustainable Health Development (MISHD) project by USAID

**2017**

Manufacturing of hygiene products at the Cumilla plant started

**2017**

Construction of 'SMC Tower-2' at Darussalam, Mirpur, Dhaka started







**2017**

Prescription pharmaceutical products launched in its own brand name

**2018**

SMC Niltara Clinic and Model Pharmacy inaugurated at Dhaka Uddyan, Mohammadpur, Dhaka

**2018**

'Green Star Network' formed to ensure minimum primary health care services and sell public health products

**2019**

Production line for commercial production of capsules and MoniMix pouch started at Bhaluka Factory, Mymensingh

**2020**

SMC was awarded the Multiple Micronutrient Supplements (MMS) by Children's Investment Fund Foundation (CIFF) and launched its own brand 'FullCare' tablet to address the nutritional needs of the pregnant women

**2020**

'Vermicid' (Albendazole 400 mg) launched to reduce the burden of worms caused by soil-transmitted helminth infections

**2020**

SMC was awarded the 'Alliance for Combating Tuberculosis in Bangladesh (ACTB)' by USAID

**2021**

'MoniMix Plus' (the micronutrient powder) launched to prevent anaemia and micronutrient deficiencies in children (5 to 12 years of age)

**2021**

'SMC Plus' (the electrolyte drink) launched to help the dehydration, fatigue and low blood pressure instantly

**2021**

The construction work of 'SMC Tower-2' completed and the operation of SMC Clinic and the Model Pharmacy started

**2022**

'Rose Star Network' formed to offer growth monitoring and nutrition services of children through pediatricians

**2022**

Ground breaking work of Fast-Moving Consumer Goods (FMCG) project at Bhabanipur, Gazipur started



# Partners

## Government Partners



পরিবার পরিকল্পনা অধিদপ্তর



Government of the People's Republic of Bangladesh  
**DGHS**  
Directorate General of Health Services  
Ministry of Health and Family Welfare

## Development Partners



**USAID**  
আমেরিকার জনগণের পক্ষ থেকে



**CHILDREN'S  
INVESTMENT FUND  
FOUNDATION**

## Knowledge and Training Partners



## Implementing Partners



**CWFD**



working for population & development



সচেতন সোসাইটি  
**SACHETAN SOCIETY**



সীমান্তিক  
**SHIMANTIK**

## Collaborative Partners



**OGSB**



**gain**  
Global Alliance for  
Improved Nutrition



Surjer Hashi Network (SHN)



**icddr,b**

KNOWLEDGE FOR  
GLOBAL LIFESAVING SOLUTIONS



**ujjiban**  
SOCIAL AND BEHAVIOUR CHANGE  
COMMUNICATION PROJECT





## Company Members



**Mr. Waliul Islam**

- Former Secretary to the Ministry of Planning (Statistics Division); Ministry of Communication (Roads & Railways); Ministry of Shipping;
- Former Director General of the Bangladesh Bureau of Statistics;
- Former Managing Director, Bangladesh Shipping Corporation (BSC);
- Former Independent Director, Dhaka Stock Exchange Ltd.



**Mr. Muhammed Ali**

- Former Secretary, Ministry of Health and Family Welfare; Ministry of Land; Ministry of Power, Energy and Mineral Resources; Ministry of Communication (Jamuna Bridge Division); Ministry of Civil Aviation & Tourism;
- Former Chairman, Sonali Bank Ltd. and Janata Bank Ltd.



**Mr. Siddiquir Rahman Choudhury**

- Former Secretary, Finance Division, Ministry of Finance; Ministry of Commerce; Ministry of Food & Disaster Management;
- Former Chairman of Agrani Bank, Sonali Bank (UK) and Shadharan Bima Corporation;
- Currently a freelance consultant in the field of Public Financial Management, Aid Effectiveness and review of Health Sector Development Program.



**Ms. Rokeya Quader**

- Chairperson, Desh Germents Limited;
- Member, BGMEA;
- Former Member, Bangladesh Bar Council;
- Former Vice President of Women's Entrepreneurs Association and Bangladesh Employer's Federation.



**Ms. S. R. Ghuznavi**

- Executive Chairman, Aranya Crafts Limited.
- Founder Member of the National Crafts Council of Bangladesh.



**Mr. Md. Siddique Ullah**

- Engineering Advisor, Bangladesh Medical Studies and Research Institute (BMSRI);
- Co-Chairman, EC, BMSRI;
- Former Chief Engineer, Public Works Department (PWD), Government of Bangladesh.





**Mr. A K M Shamsuddin**

- Founding Chairman and current Director of CDBL; Founding Managing Director of SMC.
- Former Managing Director of Aventis Pharma and Former President of FICCI.
- Chairman and CEO of E-zone Ltd. (a management consulting group).



**Ms. Rupali Haque Chowdhury**

- Managing Director, Berger Paints Bangladesh Ltd.; Jenson & Nicholson (Bangladesh) Ltd.;
- Director, Surjer Hashi Network;
- Independent Director, Linde Bangladesh; Evercare Group; Bata Shoe Company Limited (Bangladesh);
- Chairman, Prothom Alo Trust;
- Advisory Board Member, UNICEF;
- Vice Chairman, Bangladesh Economic Zone Investors Association;
- Trustee of the Board, Bangladesh Business and Disability Network.



**Dr. Yasmin H. Ahmed**

- Former Vice President and Senior Regional Director of Marie Stopes International, UK.
- Former Country Director of Marie Stopes Clinic Society.
- Currently a freelance consultant.



**Dr. Jahir Uddin Ahmed**

- Former Director General, Family Planning Association of Bangladesh (FPAB);
- Former Director, Directorate General of Family Planning (MOH&FW);
- Former Chairman, Midwifery & Nursing (DMN) Department, JPGSPH, BRAC University;
- Adjunct Faculty, MPH, Department of Public Health, AIUB.



**Mr. Aftab ul Islam FCA**

- Chairman, IOE (Bangladesh) Limited; Chairman, Impact PR;
- Principle Partner, Islam Aftab Kamrul & Co.;
- Director (Board of Directors) Bangladesh Bank;
- Chairman, Asia Pacific General Insurance Company Limited; Director, Federation of Bangladesh Chamber of Commerce and Industry (FBCCI);
- Former President of Dhaka Chamber of Commerce and Industry (DCCI) and American Chamber of Commerce in Bangladesh (AmCham).
- Former Country Manager, NCR Bangladesh



**Dr. Masud Ekramullah Khan**

- An International Corporate attorney, M & A Lawyer at the Legal Circle.
- Director, Amadeyr Cloud Limited.
- Vice-President and member, Green Movement Foundation (nonprofit organization).
- Pro bono counsel for JAAGO Foundation.





**Mr. Faruque Ahmed**

- Former Executive Director, BRAC International;
- Former Senior Operations Officer of HNP (Health, Nutrition and Population), The World Bank;
- Former Member of GAVI Board (Geneva);
- Working Group Member of Bangladesh Health Watch;
- Advisor to Kumidini Welfare Trust;
- Board Member, BRAC Foundation & Rangpur Dinajpur Rural Service (RDRS).



**Mr. Muhammad A. (Rumee) Ali**

- Vice Charman, Bangladesh International Arbitration Centre (BIAC);
- Former Chairman, AB Bank Ltd.; bKash Limited; Finova Ltd.; BRAC Bank Ltd.;
- Member of the Board of Advisor, Banglalink Digital Communications Ltd.;
- Former Deputy Governor, Bangladesh Bank.



**Mr. Muhammed Farhad Hussain FCA**

- Managing Partner, Hussain Farhad & Co., Chartered Accountants;
- Director, Prime Bank Securities Ltd. & Bay Asset Management Ltd.;
- Former President, The Institute of Chartered Accountants of Bangladesh (ICAB);
- Former Director, Walton Hi-Tech Industries Ltd., Prime Bank Ltd., Agrani Bank Ltd., Sadharan Bima Corporation; Dhaka Stock Exchange Ltd. & Confederation of Asian and Pacific Accountants (CAPA), KL, Malaysia;
- Former Advisor, South Asian Federation of Accountants (SAFA), New Delhi, India.



**Mr. Syed Monjurul Islam**

- Director, Bangladesh Clinical Trials Limited (BCTL);
- Ex-Deputy Director & COO, icddr,b;
- Former Secretary, Ministry of Health and Family Welfare & Ministry of Shipping;
- Former additional Joint Secretary, Finance Division, Ministry of Finance.



**Professor Ahmed Mushtaque Raza Chowdhury, PhD**

- Professor of Clinical Population and Family Health, Columbia University;
- Former Vice Chairman of BRAC;
- Former MacArthur Fellow, Harvard University;
- Former Senior Advisor, The Rockefeller Foundation.



**Professor Dr. Sameena Chowdhury**

- Former President, Obstetrical & Gynecological Society of Bangladesh (OGSB);
- Former Professor, Obstetrical & Gynecology, Dhaka Medical College (DMC) and Institute of Child and Mother Health (ICMH).
- Former Senior Technical Expert & Advisor in Midwifery Department, BRAC University.





**Professor Dr. Farhana Dewan**

- Professor & Head, Department of Obstetrics and Gynecology, Ibn Sina Medical College Hospital;
- President Elect, Obstetrical and Gynecological Society of Bangladesh (OGSB);
- Former Vice President and Secretary General, OGSB;
- Former Secretary, OGSB Hospital & IRCH.



**Dr. Salehuddin Ahmed**

- Professor, Business School, BRAC University;
- Faculty Member (Part-time ), North South University (NSU) and Dhaka University;
- Former Professor, School of Business, North South University (NSU);
- Former Governor, Bangladesh Bank (Central Bank);
- Former Managing Director, Palli Karma-Sahayak Foundation (PKSF);
- Former Consultant, ADB, APDC, ESCAP, FAO, ILO, UNCRD, UNDP, UNESCO and World Bank;
- Former Director General of Bangladesh Academy for Rural Development (BARD), Cumilla.



**Mr. Ranjit Kumar Chakraborty**

- National Consultant, Public Expenditure and Financial Accountability Assessment (PEFA), World Bank;
- Former Additional Secretary (Budget and Treasury & Debt Management) Finance Division, Government of Bangladesh;
- Former Board of Directors of Agrani Bank Limited, Sonali Bank Limited, Bangladesh Services Limited, and Bangladesh Petroleum Corporation, Represented the Ministry of Finance;
- National Consultant, Democratic Governance Cluster, UNDP.



**Mr. Syed Nasim Manzur**

- Chairman, Landmark Footwear Ltd. and Managing Director Apex Footwear Limited;
- Board of Director, Metropolitan Chamber of Commerce and Industry (MCCI);
- Director, Apex Tannery Ltd.; Apex Pharma Ltd.; Grey Advertising Bangladesh Ltd.; Apex Enterprises Ltd.; Pioneer Insurance Company Ltd.; International Publications Ltd.; Progeny Technologies Ltd.;
- Member, Board of Trustee, BRAC University;
- Executive Member, FRIENDSHIP (an internationally acclaimed NGO)



**Dr. Faustina Pereira**

- Advocate, Supreme Court of Bangladesh; Director of Human Rights and Legal Aid Services at BRAC;
- Senior Regional Director (Asia), Center for Reproductive Rights;
- Senior Fellow, Center for Peace & Justice, BRAC University;
- Professor (adjunct faculty), International Refugee Law, University of Asia Pacific.



## Board of Directors (SMC & SMC EL)



**Mr. Waliul Islam**

### Chairman & Director of SMC & SMC EL Board

Mr. Waliul Islam is a retired civil servant of the People's Republic of Bangladesh. He served in the position of Secretary to the Ministry of Planning (Statistics Division) and also as the Director General of Bangladesh Bureau of Statistics. He was also the Secretary of the Ministry of Communication and Ministry of Shipping of the Government of Bangladesh. He was a Deputy Secretary in the General Administration Division of the first Government of the People's Republic of Bangladesh at Mujibnagar in 1971. He was the first ever Deputy Commissioner appointed by the Government of Bangladesh and joined Jashore District on December 09, 1971.

Upon his retirement in 1999, he worked as a freelance consultant. Amongst others, he served as Statistical Advisor, Post Primary Education Census 1999 under Ministry of Education; UNICEF Bangladesh as a Team Leader, Program Coordination Cell, Health & Population Sector Program, Ministry of Health & Family Welfare; Senior Policy Advisor, NGO Service Delivery Program under Research Triangle Institute International, USA; Asian Development Bank as Staff Consultant, Urban Health and Lead Consultant for the preparation of Health Care Financing Strategy for Bangladesh under Abt Associates Inc., USA.

### Director of SMC & SMC EL Board

Mr. Muhammed Ali joined the erstwhile Civil Service of Pakistan (CSP) in 1964 and served in various important positions in the then East Pakistan and in Bangladesh over a span of 34 years from 1964 to 1998. He served in the position of Secretary to the Ministry of Civil Aviation and Tourism; Ministry of Land; Ministry of Power, Energy and Mineral Resources; Ministry of Communication (Jamuna Bridge Division) and Ministry of Health and Family Welfare of the Government of Bangladesh. He was also the Chief Advisor and Head, Management Change Unit (MCU), Ministry of Health and Family Welfare, Government of Bangladesh.

Mr. Ali is also the former Chairman of Sonali Bank Ltd. and Janata Bank Ltd. He also served as a member of the Board of Directors of icddr'b and as a member of Dhaka University Syndicate. He has almost 50 years of experience in various sectors of public service like administration, management, health, environment, education and social welfare. He visited 36 countries across the globe and participated in a number of seminars, workshops and negotiations at the World bank, ADB, IDB, UNFPA and other international organizations. Mr. Ali also acted as a Senior Consultant in projects primarily in the health & population sector funded by the World Bank, ADB and JICA.

Mr. Ali has been associated with SMC as a member of the Board of Directors since his retirement from Government service and acted as its Chairman during 2013 to 2017. Currently, he is the Chairman of Surjer Hashi Network, a company operating 361 health and family planning clinics across the country and as a Member of Social Development Foundation (SDF) an organization promoting rural development, women's empowerment and employment etc. funded by the World Bank and Government of Bangladesh.



**Mr. Muhammed Ali**



## Director of SMC & SMC EL Board

Mr. Md. Siddique Ullah is the Engineering Advisor of Bangladesh Medical Studies and Research Institute (BMSRI) and also the Co-Chairman, EC, BMSRI. After completing his graduation in Civil Engineering, he joined the Communication and Building (C & B) Department in 1962 and served in different capacities in the said Department and retired as Chief Engineer, Public Works Department (PWD), Government of Bangladesh in 1998. He is a life member of Bangladesh Cancer Society, Pallima Sangshad Khilgaon, Bangladesh Government Employees' Welfare Association and Lakshmipur Zila Samity.



**Mr. Md. Siddique Ullah**



**Dr. Yasmin H. Ahmed**

## Director of SMC Board

Dr. Yasmin H. Ahmed is a former Vice President and Senior Regional Director of Marie Stopes International UK and also a former Country Director of Marie Stopes Clinic Society. In her role as the Senior Regional Director, she has overseen and facilitated exponential growth in some of the country programs in her region including Pakistan, Yemen, Vietnam and Bangladesh. An accomplished communicator and effective facilitator, she has a deep understanding of reproductive health issues in the region, especially making high quality services accessible to the poor.

Dr. Yasmin gave up full time employment in August 2012 and since then, has been engaged in freelance consulting in the area of health/health management. Her consultancy engagements have included strategic planning, evaluations, project development and facilitation of policy dialogues both nationally and internationally.



## Director of SMC EL Board

Mr. Siddiquir Rahman Choudhury is a former civil servant who retired in 2007 after serving the Government of Bangladesh for more than 30 years. As civil servant, Mr. Choudhury held many senior positions in the Ministry of Finance and Bangladesh Audit Department. He also held the position of Secretary, Ministry of Commerce, Food & Disaster Management and immediately before retirement, he was Finance Secretary, Government of Bangladesh. During his tenure in the government and also after retirement, Mr. Choudhury was in the Board of a number of Government owned corporations, companies and financial institutions. He was the Chairman of Agrani Bank, Sonali Bank (UK) Ltd. and Shadharan Bima Corporation. He was a member of the Board of Bangladesh Bank, Sonali Bank, House Building Finance Corporation, IDCOL, Biman Bangladesh Airlines, SABINCO, Jamuna Oil Company and Eastern Refinery Limited.

Mr. Choudhury represented Bangladesh in many international seminars and annual meetings of the Board of Governors of the World Bank, IMF, Commonwealth and SAARC Finance Ministers' Conferences.

After retirement, he has been working as a freelance consultant and was involved in a number of consultancy assignments in the field of Public Financial Management, Aid Effectiveness and review of Health Sector Development Program.



**Mr. Siddiquir Rahman Choudhury**



**Dr. Jahir Uddin Ahmed**

## Director of SMC & SMC EL Board

Dr. Jahir Uddin Ahmed, MBBS, M.Sc. in CHDC, LSH&TM, London University, London has joined in the Government service; starting as District Technical Officer/Principal, FWTI, Cumilla from April 02, 1977 and retiring as Director Planning and Director Logistics and Supply of the Directorate General of Family Planning, MoH&FW.

Dr. Ahmed was the ADG (3 years) and DG (2 years) of FPAB (IPPF) from September 2005 to September 2010. He also worked as consultant in several national and international organizations like WHO, Engender Health, GHI, USAID, Abt. Associates Incorporate, SHOPS, NIPOIT, UNFPA, PSSMRTD, icddr;b, READ, Ecorys Europa (ASIE/2005017-585-EC), GHI-Bridge 3 USAID, MaMoni (SCF) Final Evaluation USAID etc. He was the Adjunct Professor of MPRHGD course of East West University from 2009 to 2013.

Dr. Ahmed joined Department of Midwifery and Nursing (DMN), BRAC University as the Chairman of the Department on January 15, 2015 and completed his contract service on January 14, 2017 as the Head of the Midwifery Education Program, BRAC University. Currently he is the Director of SMC and SMC EL Board.

As the Adjunct Faculty of MPH course at American International University - Bangladesh (AIUB) since 2010, Dr. Ahmed has been teaching Epidemiology of Infectious Diseases, Adolescent Reproductive Health, Reproductive Health and Health Care Project Planning and Financing.

Dr. Ahmed was involved with SMC in the different program development since his joining in 1981.



## Director of SMC & SMC EL Board

Mr. Aftab ul Islam is the Chairman of IOE (Bangladesh) Limited. Having 36 years of experience, he began his career with U.S.A. based multinational IT Company NCR Corporation and headed this organization for a number of years. He was elected President of the Bangladesh Computer Samity (BCS). He was instrumental and played a key role in setting up BCS Computer City at IDB Bhaban. Mr. Islam is a former President of Dhaka Chamber of Commerce and Industry (DCCI) and American Chamber of Commerce in Bangladesh (AmCham). He was also elected as Director, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) for the periods 2005-2010 and 2017-2019.

Honorable Prime Minister of Bangladesh nominated Mr. Islam as the Chairman of the SME Foundation (Small and Medium Enterprise) in 2009 to 2011. Mr Islam is a Member of the Board of Governors of the Institute of Business Administration (IBA), University of Dhaka. He is the Chairman of Asia Pacific General Insurance Company Ltd. and founder Chairman of BD Venture Ltd., the first Venture Capital Company of Bangladesh. Mr. Aftab ul Islam is currently a Director of the Board Bangladesh Bank and British American Tobacco Bangladesh (BATB). He is also the Chairman of Impact PR and Principle Partner of Islam Aftab Kamrul & Co.



**Mr. Aftab ul Islam FCA**

## Director of SMC EL Board

Mr. Faruque Ahmed was the Executive Director of BRAC International for seven years. Under his leadership BRAC International developed its Africa strategy and established regional office in Nairobi and expanded country program in three additional countries totaling BRAC's presence in eleven countries outside Bangladesh. He also played a critical role as a member of the steering committee that guided the development of BRAC's global strategy in early 2019.

Previously, Mr. Ahmed was the Director of BRAC's health programme for 10 years, playing a critical role in shaping the organisation's health strategy and scaling several community-based health and nutrition interventions. Before joining BRAC, Mr. Ahmed worked as Senior Operations Officer in the Health, Nutrition and Population team at the World Bank, Bangladesh. Mr. Ahmed started his career as a Research and Planning Officer in 1976 and then worked in the Ministry of Health and Family Welfare. He also represented civil society on the GAVI Alliance, Board.



**Mr. Faruque Ahmed**

He is a Working Group Member of the Bangladesh Health Watch and the Board Member of BRAC Foundation & Rangpur Dinajpur Rural Service (RDRS). He is also an Advisor to Kumudini Welfare Trust.



## Director of SMC & SMC EL Board

Mr. Muhammed Farhad Hussain is the Managing Partner of Hussain Farhad & Co., Chartered Accountants. He is also serving as the Director of Bay Asset Management Limited and Prime Bank Investment Limited. Earlier, Mr. Hussain served IPDC in different managerial roles for several departments including Accounts, Project Monitoring, Legal, Personnel and HR for six years.

Mr. Hussain is a past president of the Institute of Chartered Accountants of Bangladesh (ICAB) and former Director of Dhaka Stock Exchange Ltd.; Sadharan Bima Corporation.; Agrani Bank Ltd.; Prime Bank Ltd.; Matin Spinning Mills Ltd.; Al-Haj Textile Mills Ltd.; Walton Hi-tech Industries Ltd.; Dhaka WASA and Prime Exchange Co. Pvt. Ltd. Singapore. He is also a former Board Member of South Asian Federation of Accountants (SAFA) & Confederation of Asian and Pacific Accountants (CAPA). He has more than 40 years of experience in the field of accounting, auditing and business advisory services along with six years' experience in Bringham, U.K., covering the Accountancy, Auditing, Taxation and Investigation area. He also has a teaching experience for 16 years in the Institute of Chartered Accountants of Bangladesh (ICAB) and 2 years in the Independent University, Bangladesh.



**Mr. Muhammed Farhad Hussain FCA**



**Professor Dr. Farhana Dewan**

## Director of SMC Board

Dr. Farhana Dewan is the Professor & Head, Department of Obstetrics and Gynecology, IBNSina Medical College Hospital. She is also the President Elect, Obstetrical and Gynecological Society of Bangladesh (OGSB). She is a former Vice President and Secretary General of OGSB and former Secretary of OGSB Hospital & IRCH. She also worked as the Head of Department of Obstetrics and Gynecology of Shaheed Suhrawardy Medical College and Hospital.

Dr. Dewan participated in various training programs and attended a large number of national & international conferences. She also worked as a master trainer on Emergency Obstetric Care (EOC), National Fistula Centre, DMCH, Competency Based Training (CSBA)- Trained by JHPIEGO, Community Skilled Birth Attendant (SBA), HIV/AIDS Training, Obstetric Emergency Skill Course Training etc. She worked as a Reviewer of different curriculum on EOC, CSBA, HIV, AIDS and Infection Prevention. She is an Author of more than 45 national and 5 international publications.



## Director of SMC Board

Professor Ahmed Mushtaque Raza Chowdhury, PhD, has spent more than 40 years in research, education and practice, with specializations in public health, primary education, poverty reduction and environment. Until recently, he was the Vice Chair of BRAC, the world's largest NGO serving the poor and women in Bangladesh and eleven other countries of Africa and Asia. He is a Professor at Columbia University's Mailman School of Public Health. In the past, he also worked for Harvard University as MacArthur Fellow and the Rockefeller Foundation as Senior Advisor and acting Managing Director.

Having published nearly 200 articles and several books, Chowdhury is a well-respected global expert. He has contributed to the founding of many sustainable institutions including the Research and Evaluation Division (BRAC), the James P. Grant School of Public Health (BRAC University), institutionalization of Mekong Basin Disease Surveillance (Southeast Asia) and the Department of Public Health and Informatics, Bangabandhu Sheikh Mujib Medical University, Dhaka.

He has served on boards/committees of several national and international organizations/initiatives including the South Asia Centre at London School of Economics, Food and Agriculture Organization (FAO), Scaling Up Nutrition (SUN) movement, International Food Policy Research Institute (IFPRI), Citizens Platform for Implementation of SDGs in Bangladesh, Asian Action Alliance for Human Resources for Health (AAAH) and Last Mile Health (USA).



**Professor Ahmed Mushtaque Raza Chowdhury, PhD**



**Mr. Toslim Uddin Khan**

## Director of SMC (Ex-Officio) & SMC EL Board

Mr. Toslim Uddin Khan has been appointed to the position of the Managing Director & CEO of SMC with effect from January 1, 2023 and became the Ex-Officio Director of SMC by virtue of his position. He has an illustrious career in the health and family planning sector of Bangladesh for over 33 years where he has a thorough understanding of the overall program dynamics of the country. A graduate of the University of Dhaka, he completed his Masters in Social Welfare as well as MBA in Marketing from the same university. He also obtained Masters in Family Planning Program Management from the University of Exeter, United Kingdom (UK).

Under his strategic guidance and dynamic leadership, SMC is successfully implementing Blue Star, Green Star, Pink Star, Gold Star network, sustainable clinic operations, life cycle approach of nutrition and adolescent health program.

Mr. Khan has written a number of technical papers and scholarly articles on various public health issues which were well accepted in international conferences/seminars. His paper on community mobilization activities was awarded as the best paper in the World Social Marketing Conference held in Australia in 2015.



## Senior Management Team (SMC & SMC EL)



**Mr. Toslim Uddin Khan**  
Managing Director & CEO  
Social Marketing Company



**Mr. Abdul Haque**  
Managing Director  
SMC Enterprise Ltd



**Mr. Md. Feroze-Ul Alam**  
Deputy Managing Director, Operations  
SMC Enterprise Ltd



**Mr. Abul Bashir Khan FCMA**  
Chief Financial Officer  
SMC Enterprise Ltd



**Mr. Masum Ahmed Jaigirdar**  
Chief Engineer  
Social Marketing Company



**Mr. Syed Mohammad Zubeyr Ali FCMA**  
Company Secretary  
Social Marketing Company &  
SMC Enterprise Ltd



**Mr. Khandaker Shamim Rahman**  
General Manager, Marketing  
SMC Enterprise Ltd



**Mr. Rana Kaiser Ahmed**  
General Manager, HR & Admin  
SMC Enterprise Ltd



**Mr. Mohammad Abdur Rouf**  
General Manager,  
Supply Chain Management  
SMC Enterprise Ltd



**Mr. Pranab Majumder**  
General Manager,  
Quality Assurance  
SMC Enterprise Ltd



**Mr. Chandra Nath Mandal**  
General Manager, Sales  
SMC Enterprise Ltd





**Mr. Md. Nazir Aziz Chowdhury**  
General Manager, HR & Admin  
Social Marketing Company



**Mr. Tapan Bala FCMA, FCA**  
Chief Financial Officer  
Social Marketing Company



**Mr. Ohiduzzaman Khan**  
Additional General Manager  
Health & Hygiene Factory, Cumilla  
SMC Enterprise Ltd



**Mr. Md. Aktaruzzaman Bhuyain**  
Additional General Manager  
Bhaluka Factory  
SMC Enterprise Ltd



**Dr. Salah Uddin Ahmed**  
Additional General Manager  
Training & Service Delivery  
Social Marketing Company



**Mr. Md. Moshir Rahman**  
Additional General Manager  
Program Operations  
Social Marketing Company



**Mr. Md. Jashim Uddin FCA**  
Additional General Manager  
Grants, Compliance & Administration  
Social Marketing Company



**Mr. Mohammad Giash Uddin**  
Additional General Manager  
ICT Division  
SMC Enterprise Ltd



**Mr. Md. Kamrul Hassan**  
Additional General Manager  
Civil Works & Maintenance  
SMC Enterprise Ltd



**Mr. Md. Kawchar Alam Chowdhury**  
Additional General Manager  
Admin & General Services  
Social Marketing Company



**Mr. Shohrab Hossain**  
Additional General Manager  
Food Products  
SMC Enterprise Ltd



**Mr. Sheikh Zahidur Rahman**  
Head of Sales & Marketing  
Pharma Division  
SMC Enterprise Ltd





**Mr. Mohammad Mohiuddin Ahmed**  
Head of Behavior Change Communication  
Social Marketing Company



**Mr. Md. Hasibul Moin Chowdhury**  
Head of Budget & Accounts  
Social Marketing Company



**Mr. Rokibul Hasan Khan**  
Head of Human Resources  
Social Marketing Company



**Mr. Md. Shafiqul Islam**  
Head of Region, East-West  
SMC Enterprise Ltd



**Mr. Quazi Mohd. Jafrullah**  
Head of Region, North-South  
SMC Enterprise Ltd



**Mr. Mizanur Rahman**  
Head of Hygiene Products  
SMC Enterprise Ltd



**Mr. A.S.M. Shahidul Alam**  
Team Leader, MMS Project  
Social Marketing Company



**Mr. Md. Feroz Iftekhher FCA**  
Head of Internal Audit  
Social Marketing Company



**Ms. Shahreen Haq**  
Communication Specialist  
Social Marketing Company



**Mr. Md. Salim Choudhury**  
Head, Distribution & Logistics  
Central Warehouse  
SMC Enterprise Ltd



**Mr. Akhter Weysal**  
Head of Finance & Accounts  
Social Marketing Company



# Notice of the 34<sup>th</sup> Annual General Meeting of Social Marketing Company

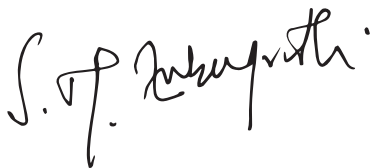
Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of Social Marketing Company (SMC) will be held on Monday, January 23, 2023 at 10:30 AM at the Head Office, 18<sup>th</sup> Floor, SMC Tower, 33 Banani Commercial Area, Road-17, Dhaka-1213 and through online digital platform, <https://zoom.us/j/93127671296?pwd=Z0haMUZYRjM1WGsyTGkva2FmYjNIUT09>, Meeting ID: 931 2767 1296, Passcode: 458618 to transact the following agenda:

## Agenda

- To receive, consider and adopt the Directors' Report for the year ended June 30, 2022
- To receive, consider and adopt the Audited Financial Statements as on and for the year ended June 30, 2022 together with the Auditors' Report
- To appoint Auditors for the Financial Year 2022-23 and to fix their remuneration
- To elect Directors of the company

All the honorable members of the company are requested to make it convenient to attend the meeting on time.

By Order of the Board,



**Syed Mohammad Zubeyr Ali, FCMA**  
Company Secretary

December 29, 2022



## Message from the Chairman



It is my pleasure to share the Annual Report of SMC for the year 2021-2022.

As usual, SMC continues its journey as a major contributor to the National Health and Family Planning Program of the country despite severe economic disruptions and the ongoing COVID-19 pandemic. In this turmoil situation, the completion of another successful year demonstrates the impact of the devotion and dedication of the employees towards the well-being of society. The Star network providers of SMC (BSP, GSP, PSP, and GSM), sales personnel of distributors and own sales forces of SMC EL and field staff of SMC continued their efforts for smooth implementation of field operations and achieved impressive results in FY 2021-2022 both for SMC and its subsidiary.

SMC is always increasing its focus on family planning, maternal and child health, adolescent health, nutrition and tuberculosis with necessary health messages and services by its different Star network providers. As a part of its expansion strategy, SMC is increasing the number of Star network providers every year by utilizing its own resources.

SMC has taken extra care to ensure the availability of products to meet the increased demand by enhancing production and procurement capacity. SMC has already started the construction work of a factory for fast-moving consumer goods (FMCG) at Bhabanipur, Mymensingh.

SMC is playing a critical role to improve the capacity of graduate and non-graduate private sector providers with updated health information across the country. The aim is to create awareness of different health issues and offer quality services in the community by them. Currently, more than 14,500 graduate and non-graduate providers are attached to the different Star networks of SMC. These Star networks are branded as the quality healthcare centers in the community. SMC is continuously monitoring the service quality and performance of different Star network providers. It is encouraging news that recently SMC introduced 'Rose Star' a network of Pediatricians to monitor the growth of children under 5 years and counsel mothers for improving the nutritional status of their children. This network already started to contribute significantly to improving the nutritional status of children in the country.

Empowering women to participate fully in economic life across all sectors is essential to build stronger economies for development and sustainability. The women empowerment initiative of SMC has more than 2,800 members named 'Gold Star Members (GSMs)' working in rural and peri-urban areas. They are disseminating essential public health messages to increase the awareness and demand for use of public health products and services in the community. GSMs are highly recognized in the community due to their awareness-creation activities and as a result 58 of them across the country have been elected as female representatives (member/counselor) in the recent local government election.



SMC initiated Clinic operations in 2018 to offer quality services at affordable prices to all segment of population with special focus to low and middle-income population. I am happy to inform that SMC has inaugurated another Clinic at SMC Tower 2, Darussalam Road, Mirpur, Dhaka to serve more population aligning its mission. The Clinic operation of SMC has been expanded with additional consultation and laboratory services to provide a wide range of service options to the clients.

The combination of effective responses to the challenging market conditions and the successful implementation of the Company's strategy continues to pay dividends and all of the major brands performed well. Similarly, all regions produced results ahead of expectations. I am equally proud of the resilience our business showed in the critical situation and our ability to continue operations during the COVID-19 period including hybrid working models.

It is our great pleasure that SMC is focusing more to fulfill the increased demand of customers through innovative technologies and the introduction of new quality products. The ICT Division has developed several web-based applications and strengthened existing systems to ensure full automation and improve operational efficiencies. Along with traditional marketing approaches, SMC is giving the highest priority to using different social platforms for marketing its health messages and products.

SMC Enterprise Ltd, the subsidiary company of SMC has completed the FY 2021-22 successfully with 15.4% sales growth over the last year. The pharma division also achieved 24.7% sales growth. SMC initiated its own funded projects in different modalities to widen the support towards the national goal utilizing the profit of SMC EL received as dividends.

SMC focused more effectively to harness the constructive potential of its human resources for making meaningful contributions to society. Accordingly, we ensured our strategic efforts on their capacity development through different productive mechanisms. Alongside, the organization is also promoting female leadership prioritizing the international standard of gender balance.

I wholeheartedly acknowledge the continued support of the Government, development partners, other implementing NGOs and different business partners. SMC is fully committed to managing its business in a sustainable way by upholding the highest standards of ethics and corporate governance practices. The Board of Directors continued their support to enhance the performance of both Companies by endorsing favorable policies and work environments for the employees. I share my gratitude to all for being confident amidst all the economic and geopolitical uncertainties.

I also thank our employees, higher management and colleagues of the SMC and SMC EL Board for their incredible commitment and dedication during these difficult times which ultimately brought another successful year.



**Waliul Islam**

Chairman, Board of Directors  
Social Marketing Company



## Statement of MD & CEO, SMC



The Fiscal Year 2021-22 was another successful year of SMC for its remarkable achievements and progress in program expansion. Despite the ongoing COVID-19 pandemic and the war between Russia and Ukraine, SMC adopted several contingency plans to continue its program operations to serve the community. The health networks kept providing their services through dedicated providers. The Company took necessary initiatives to meet the increased demand for contraceptives and other public health products and services. SMC ensured an uninterrupted supply of products to the outlets including the Star networks for providing services in this critical situation. In terms of contribution, SMC surpassed its goals as a significant contributor to the national health and family planning program in the country.

The sales performance of program products was quite satisfactory in the reporting year than its previous year. SMC

provided 5.81 million couple-years of protection (CYPs) through the distribution of different contraceptives during this period. According to the Bangladesh Demographic and Health Survey 2017-2018, more than one-third of the modern family planning method users in Bangladesh rely on SMC-branded contraceptives.

One of the major priorities in the reporting year was to improve the knowledge and expertise of the different Star network providers and optimize their capacity to serve the communities. Likewise, the Company is continuously expanding its number of private-sector Star network providers by providing basic training, on-site technical assistance, outlet branding and necessary logistical support. The training team of SMC was very instrumental in planning and conducting the capacity-building events throughout the year for all Star networks.

The number of our four Star network providers has been increased significantly over the last few years. For example, the number of Blue Star Providers (BSPs) has increased from 6,198 in FY 2016-2017 to 9,406 in FY 2021-2022. SMC has included 1,723 members in its different Star networks through basic training in the reporting year to increase its coverage for serving larger communities. This is our immense pleasure to share that we have introduced a new network of Pediatricians 'Rose Star' in the reporting year. This network is formed to monitor the growth of children under 5 years and counsel mothers for improving the nutritional status of their children.

I am happy to note that SMC distributed 4.56 million vials of injectable contraceptives mostly through its Star networks in this period. According to the BDHS 2017-2018, the Star network providers contributed 33% share to the national injectable Contraceptive Prevalence Rate (CPR). During the reporting period, the BSPs referred 186,363 eligible couples for long-acting and permanent methods, 213,058 suspected TB cases to the nearest designated service delivery center, and also offered Growth Monitoring and Promotion services to 44,855 children under 5 years.



The Program Division reached a total of 1,029,539 community people including 357,710 adolescents through different educational sessions in 93 upazilas for creating awareness and demand for different public health products and services. In the area of women empowerment, SMC has gradually broadened the coverage and activities of Gold Star Members (GSMs) which is a network of rural women entrepreneurs initiated in 2013. Considering the opportunities to work in low-income urban neighborhoods, SMC also has initiated GSM activities in urban areas utilizing its own fund in the reporting year. The initial result of the urban GSM model is quite impressive. During the period more than 2,800 GSMs were involved to generate demand and sell public health commodities in the community. GSMs sold public health products worth Tk. 230 million with a significant growth of 35% in the reporting year compared to the last year.

With an aim to provide healthcare services to the low and middle-income population at an affordable price, SMC has started the second Clinic operation at SMC Tower 2, Darussalam, Mirpur, Dhaka. Both Clinics are offering quality consultation, laboratory and model pharmacy services at affordable and discounted prices.

Another important initiative in this fiscal year was the introduction of Multiple Micronutrient Supplements (MMS) 'FullCare' for pregnant women. According to the World Health Organization (WHO), the MMS, containing 15 essential vitamins and minerals, significantly reduces the risk of low birth weight. SMC trained more than 12,000 Star network and other graduate providers on pregnancy care and the benefits of MMS instead of taking iron and folic acid during pregnancy. It is quite encouraging that SMC has sold 1.3 million blisters of FullCare in the first year of its journey with persistent monthly growth. SMC is working to fight against TB as a consortium member of the USAID's Alliance for Combating Tuberculosis in Bangladesh (ACTB) project. During the reporting period, trained Star network providers of SMC identified 36,665 presumptive cases. Of these cases, 3,207 were diagnosed with TB and all of them were ensured to go under treatment accordingly.

SMC always gives priority to building the capacity of employees to keep them acquainted with modern work process and management practices. In addition, the Company strategically focuses on succession planning as well as encourages female colleagues in leadership roles too.

I am very much thankful to the Board of Directors for their continued support and guidance to carry forward the mission of the company. SMC has completed another successful year and developed the next five-year strategic plan under their remarkable support and guidance.

I am truly obliged to our colleagues, development partners and other program implementing partners for their support to achieve our goals with consistent growth.

SMC always shows a strong commitment to achieving the goals and desired aspirations for serving society aligning with its mission and vision. I am confident to continue this success momentum towards the next fiscal year ensuring sustained and overwhelming growth with the cooperation and support from all.



**Toslim Uddin Khan**  
Managing Director & CEO  
Social Marketing Company



## Statement of MD, SMC EL



SMC Enterprise Ltd (SMC EL) adopted a unique business model to drive its profit growth in order to carry forward mission of the company. I am glad to share the highlights of SMC EL once again for FY 2021-22.

This time, the ongoing impact of COVID-19 along with the war between Russia and Ukraine during the reporting year caused significant disruption across the supply chains. The overall availability and movement of raw materials was a real challenge for the whole manufacturing industry. So, the fiscal year was a real stress test for implementing the operations. But the can-do attitude of the employees helped in achieving success.

Amongst the challenges and complexities, we have completed another successful fiscal year (2021-22) with gross revenue of BDT 12,115 million by achieving 15.4% growth over the last year. The Pharma Division ended the year with

a gross revenue of BDT 831 million representing a growth of 24.7%. Important drivers behind this positive development were strong commitments to operational improvement paired with a firm focus on consumers' value for money.

In the recent past, the Company successfully adopted to the changes and dynamics the consumer market has travelled through. The reason for that ability was for unfolding market conditions associated with the company's deep and long-lasting connection with the market. We have started the Institutional Sales in the reporting year and it has already proved its significance. However, in the reporting period, the Direct Sales contribution to the revenue was around 60%.

Under the strategy of improving quality products at affordable prices, SMC EL always focuses to increase its product portfolio. In the reporting year, the company has introduced two new brands "SMC Petroleum Jelly" and "SMC Honey" and extended the product line of Joya Sanitary Napkin, SMC Fruity (ORS) and Smile Baby Diaper. The sales team has executed special campaigns on menstrual hygiene management in 224 schools and 10 garments and promoted our affordable hygiene products.

Digitalization also provides opportunities to develop smart marketing campaigns as well as make operations more effective. Building on this momentum, we are keen on capturing new opportunities and shaping major trends that favor our business. Presently, people are spending more time on their devices, buying more online services and upgrading more often for availing of other services. Therefore, the Company is focusing more to fulfill the increased demand of customers through innovative technologies and the introduction of quality products. ORSaline-N, the flagship product, enriched the hall of fame of SMC by achieving 'The Most Loved Brand' in the Oral Saline category in the "Best Brand Award Bangladesh 2021" organized by Bangladesh Brand Forum.



In terms of business performance improvement, SMC EL has enhanced its ORS production capacity at Bhaluka Factory by adding high-quality sealing and filling machines. The production capacity of TasteMe, at the same plant, has already been increased to 150%. The floor capacity of Cumilla Hygiene Factory has been extended vertically by 14,500 sft in the reporting period as well. The long-term fight against COVID-19 has also given us the opportunity to apply our skills in facility management, energy efficiency and asset management by utilizing technologies.

The ICT Division ensured the Vulnerability Assessment of the overall ICT infrastructure of all offices which was technically and financially assisted by the USAID Cybersecurity Integration for Partners and Hacking Emergency Response (CIPHER) Program. The division has also developed several web-based applications and strengthened existing systems to ensure full automation and improve operational efficiencies.

Prioritizing our people and culture, we value creating opportunities to harmonize the best practices and find new ways to enhance the experiences of people. Our greatest strength has always been the quality of our people. They are dedicated, diligent and committed to making this fabulous organization even better. We have maintained open channels of communication during this challenging time that clearly indicates our willingness to listen and support our employees, including trade union representatives.

I am grateful to all colleagues of SMC and SMC EL for their commitment and dedication to accepting the challenges of FY 2021-2022 and its success. I am sharing my heartfelt gratitude to the Chairman, Board of Directors and Company Members for their continuous guidance and support. They have been instrumental in applying strategic decisions to take the organization upwards.

In the coming year, we will be unlocking our embedded growth and pursuing our purpose of developing a better future involving our stakeholders to win the next challenges.



**Abdul Haque**  
Managing Director  
SMC Enterprise Ltd





# **The Directors' Report**

## **SMC**



Dear Company Members,

On behalf of the Board of Directors of the Company, it is my privilege to present the Directors' Report, along with the audited financial statements of Social Marketing Company (SMC) for the Financial Year ended on June 30, 2022.

The second and third waves of the COVID-19 pandemic with variants of increased virulence continued to besiege the first half of FY 2021-22. In the second half, we witnessed global economic turmoil due to War between Russia and Ukraine. As a result, the impact was also being felt severely in our country. Despite the widespread disruption during the year, the Company demonstrated impressive resilience and agility to deliver topline growth thereby attaining targeted program activities. Let me express my appreciation and congratulation to the Management and all employees of SMC for their dedication, discipline and hard work for continuing growth and achieving impressive results in the FY 2021-22.

### Key Highlights of Program Activities

SMC has been consistently contributing to improve the health and well-being of women, children and families through the products and services of SMC. The primary focus of SMC includes family planning, maternal, child, adolescent health, nutrition, tuberculosis and other socially beneficial areas. SMC aims to utilize its brand value, brand loyalty, market positioning and reputation to create new partnerships with the private sector and collaboration with the Government of Bangladesh (GOB).

The Company established five Star networks by engaging private sector graduate and non-graduate health providers. Star network providers of SMC (BSP, GSP, PSP, RSP & GSM)\* are offering public health products, messages and services in the community across the country. These Star network providers are spread over the whole country.

Geographical coverage of program networks:

Program types / networks	Number of Districts covered	Number of Upazila covered	Number of members
Blue Star	64	492	9,406
Green Star	64	492	4,406
Pink Star	55	-	500
Rose Star	4	-	77
Gold Star-Rural	25	93	2,773
Gold Star-Urban	2	3 areas	45

\* BSP-Blue Star Provider, GSP-Green Star Provider, PSP-Pink Star Provider, RSP-Rose Star Provider, GSM-Gold Star Member

SMC has a strong network of sales and distribution across the country and successfully distributed its products to 157,834 pharmacies and 558,330 non-pharmacies in the FY 2021-22.

The Company has four core competencies to implement programs which include capacity building of the health care providers of the private sector, behavior change communication, community mobilization and skill development of women entrepreneurs.



Key highlights of the annual performance during the reporting period of the FY 2021-22 were:

- SMC marketed 12 public health products across the country. SMC adopted a variety of marketing strategies to create demand for program products. During the reporting period, SMC sold 4,573,402 vials of injectables, 40,355,245 sachets of MoniMix, 6,692,660 tablets of Vermicid and 62,848 packets of Safe Delivery Kit.
- In July 2021, SMC introduced FullCare - a multiple micronutrient supplements (MMS) for pregnant women to improve the nutritional status of the pregnant women and reduce low birth weight (LBW) of babies. SMC sold 1,317,522 blisters of FullCare during this period.
- SMC expanded Gold Star Program to 8 new rural Upazilas and 2 urban areas under Dhaka and Chattogram City Corporation.
- SMC conducted extensive community-level campaigns in order to raise awareness and change behavior towards healthy practices through courtyard meetings, interpersonal communication and school health sessions. A total of 666,413 Married Women of Reproductive Age (MWRA) attended the courtyard meetings and 357,710 adolescents attended health sessions during this period with specific adolescent health messages.
- A total of 2,818 Gold Star Members (women entrepreneurs) have been actively engaged in both rural and urban areas to disseminate health messages and sell public health products at doorsteps of the target population. During this period, they sold products worth Tk. 23 (twenty-three) crore. The sales revenue generated 35% more in the reporting year compared to the previous year.
- In the FY 2021-22, SMC expanded its network providers with an expanded service package. The network members expanded by adding 1,049 Blue Star, 513 Green Star, 84 Pink Star and 77 Rose Star providers through basic training. SMC also expanded Gold Star Member (GSM) by adding 230 this year. As a continuous process, SMC promoted these networks through comprehensive demand-creation activities using both local and mass media.
- Blue Star providers increased from 8,667 to 9,406, Green Star providers from 4,271 to 4,406 and Pink Star providers from 455 to 500 during the reporting year.
- SMC formed a new network namely Rose Star with Pediatricians to offer Growth Monitoring and Promotion (GMP) services for the under-five children. A total of 77 pediatricians and their assistants received basic training for inclusion in the new network.
- MMS project aims to reduce the burden of low birth weight of babies by improving maternal and child nutrition. SMC in collaboration with the Obstetrical and Gynecological Society of Bangladesh (OGSB) trained 10,041 providers (BSP and GSP) on pregnancy care under this project. MMS project also oriented 2,315 Gold Star Members and 180 PSPs about FullCare.
- SMC organized seven District level and twelve Upazila (Sub District) level Scientific Seminars with 656 Obstetricians and Gynecologists (OBGYNs) and Graduate Doctors to create demand and popularize the newly introduced FullCare.
- As a consortium member of USAID's Alliance for Combating Tuberculosis in Bangladesh (ACTB), SMC is working to fight against TB. The trained Star Network Providers of SMC identified 36,665 presumptive



cases among the screened patients or clients during this period. Of them, 3,207 were diagnosed with TB cases and accordingly were under treatment.

- During the reporting year, Niltara Clinic has recovered 92% of its operating expenditure against the 73% target. Similarly, SMC Clinic at SMC tower-2 has recovered 35% of its operating expenditure against the 36% target in the reporting year. The total number of service recipients was 34,898 at both clinics during this period.

The detail about program activities, contribution, component and program are discussed in a separate chapter namely “SMC Program Activities” in page 54 of the Annual Report.

## Research Insights

SMC conducts several research studies each year to understand the implications of its program, sales and marketing initiatives. The main goal of the SMC Research Team is to develop and support marketing and program initiatives by providing in-depth information to run the programs effectively and efficiently. The research findings help the relevant users to identify problems and issues to redesign the program operations for better results. The research and monitoring department of the Company undertook the following six major assessments to understand the effects of program activities.

- Assessment of SMC-funded activities of Gold Star Member (GSM)
- Availability study of SMC and its competitor products
- Post-campaign evaluation of TVC & Pop-up of SOMA-JECT
- Assessment of the effectiveness of courtyard sessions conducted by Community Mobilizers (CMs) & Gold Star Members (GSMs)
- Effectiveness of ‘Ma Shomabesh (mothers gathering)’ conducted by Blue Star Providers

The detail about research activities is discussed in a separate chapter namely “Research Insights-SMC” in page 67 of the Annual Report.

## Financial Results

### Consolidated Financial Statements

The consolidated financial statements have been prepared as per applicable International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS) reflecting the financial position, financial performance of the company. The consolidated gross revenue of SMC during the period was Tk. 1,242 crore with a consolidated net profit of Tk 103 crore. The net sales growth arrived at 17% and net profit decreased by 4% compared to the last year. The drop in net profit was due to the expansion of program activities utilizing SMC resources.

### Key Financial Highlights

(Figures in Taka)

Particulars	FY 2021-22	FY 2020-21
Net Revenue	11,044,504,823	9,433,531,607
Gross Profit	4,222,707,508	3,657,108,213
Net Profit after Tax	1,030,402,686	1,076,698,023
Capital Fund	3,174,814,168	3,320,590,141
Retained Earnings	5,185,732,502	4,009,554,446



## Standalone Financial Statements - Social Marketing Company

The standalone revenue of SMC from sale of program products reached Tk. 30 crores with a growth of 48% for the period ended June 30, 2022.

### Statement of Income and Expenditure for the year ended 30.06.2022

(Figures in Taka)

Particulars	FY 2021-22	FY 2020-21
Revenue	304,981,952	205,058,293
Donation Income	475,620,453	309,749,552
Income from SMC Clinic	53,984,937	28,424,751
Corporate Income	363,095,236	383,746,120
Total Expenditure	(1,181,702,231)	(838,984,398)
Gross surplus before tax	15,980,347	87,994,319

Details of operational results and other operating and financial information are discussed in a separate chapter namely 'Financial Performance' for the year 2021-22 in page 80 of the Annual Report.

### Subsidiary Operations (SMC Enterprise Limited)

SMC formed a fully-owned subsidiary SMC Enterprise Ltd (SMC EL), a 'for-profit subsidiary' to run separate profitable operations from non-profit activities. A private Company limited by shares SMC EL was incorporated in October 2014. SMC holds 99.99% ordinary shares where only two ordinary shares are owned by two members of the Board. In compliance with the Corporate Governance Code of BSEC, the Company ensured the following points across its subsidiary:

- Provisions relating to the composition of the Board of the subsidiary company;
- Affairs of the subsidiary company have been reviewed at Board meetings of the Holding Company;
- Minutes of Board meetings of the subsidiary company are placed for review at Board meetings of the Company;
- Financial statements of Subsidiary companies are reviewed by the joint Audit Committee of the Subsidiary and Holding Company;

During the period, SMC EL earned gross sales revenue of Tk. 1,212 crore and has been maintaining the revenue growth streak successively for years together. Gross profit was Tk. 403 crore with 18% growth and profit before tax arrived at Tk. 164 crore.

### Retirement and Election of Directors

As per clause 45 of the Articles of Association of the Company, one-third of the Directors shall retire from office. The Directors to retire every year shall be those who have been the longest in the office since their last election. A retiring Director shall be eligible for re-election. No person shall, however, be eligible for an election as a Director for more than two consecutive terms.

In accordance with the above clause, three Directors shall retire (one third out of nine Directors). Mr. Muhammed Ali, was re-elected as a Director in the 31<sup>st</sup> AGM held on June 15, 2020 and will retire in the 34<sup>th</sup> AGM as his period of working as a Director since his last election is longer than others.



Three Directors namely, Mr. Md. Siddique Ullah, Mr. A K M Aftab ul Islam FCA and Mr. Muhammed Farhad Hussain FCA were re-elected as Directors in the 32<sup>rd</sup> AGM held on March 30, 2021 and are due for retirement in the 34<sup>th</sup> AGM of the Company after serving for two consecutive terms as Directors.

However, in order to identify the remaining two Directors for retirement, Article 45 clearly states that, “as between persons who became Directors on the same day those to retire shall, unless they otherwise agreed by themselves, be determined by lot.” Therefore, if three of the aforementioned Directors cannot agree among themselves regarding which two of them is going to retire, then it will be decided by conducting a lottery.

## Significant Events

There is a significant event that occurred after the balance sheet/reporting date. Due to the expiration of the contract of Mr. Md. Ali Reza Khan, Managing Director & CEO of SMC the position of Managing Director & CEO has fallen vacant which occurred after the balance sheet date. The Board of Directors of the Company appointed Mr. Toslim Uddin Khan as an Acting Managing Director & CEO of SMC on September 01, 2022 and became the Managing Director & CEO of SMC on 1<sup>st</sup> January, 2023.

## Appointment of Statutory Auditors

Pursuant to clause 49 of the Articles of Association and the provisions of section 210-213 of the Companies Act 1994; the statutory auditor of the Company, MABS & J Partners, Chartered Accountants, shall retire in the 34<sup>th</sup> AGM. The existing auditors served consecutively for three years. As per the notification of the Bangladesh Securities and Exchange Commission and Company policy and practice statutory auditor has to be changed after every three years. Therefore, a new auditor of the Company for the year 2022-23 is required to be appointed in the forthcoming 34<sup>th</sup> Annual General Meeting of the Company.

The Board in its 219<sup>th</sup> Board Meeting held on 26<sup>th</sup> December, 2022, recommended M/s. ACNABIN, Chartered Accountants as statutory auditor for the period 2022-2023 with an audit fee of Tk. 315,000/- exclusive of VAT and to continue till the next AGM of the Company. The resolution to appoint M/s. ACNABIN, Chartered Accountants as statutory auditors will be placed at the forthcoming Annual General Meeting of the Company.

## Governance

The Directors' Report of the Company was prepared in compliance with section 184(1) of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Corporate Governance Code 2018.

SMC believes that it is imperative for the Company to manage its business operations in a fair and transparent manner within the perimeter of its governance framework and under the strategic stewardship of its values. For us, corporate governance represents an ethical business process aimed at enhancing our reputations of organization, goodwill and sustainability. We believe that our good governance processes provide transparency with regards to corporate policies and strategies, while enabling us to refine our decision-making process. This further strengthens internal control systems which helps in building positive relationships with all our stakeholders. We believe in transparency and commit ourselves to adhere to best practices in governance at all times. Details about corporate governance are discussed in a separate chapter namely “Corporate Governance” in page 74 of the Annual Report.



## Board Meeting and Attendance

The Articles of Association (“AoA”) of the Company requires the Board to meet at least four times a year once every quarter in accordance with Section 96 of the Companies Act 1994. The Board of Directors of the Company met 12 times during the year 2021-22. The notice of each Board Meeting is served in writing ahead of the meeting. The Board meeting and attendance of the meetings during the FY 2021-22 are tabled below:

Sl.	Name of Directors	Position in SMC Board	Board Meetings attended (SMC)
1.	Mr. Waliul Islam	Chairman	12 (12)
2.	Dr. Jahir Uddin Ahmed	Director	02 (02)
3.	Mr. Faruque Ahmed	Director	10 (10)
4.	Dr. Yasmin Hemayet Ahmed	Director	02 (02)
5.	Mr. Muhammed Ali	Director	12 (12)
6.	Mr. Siddiquir Rahman Choudhury	Director	10 (10)
7.	Prof. Ahmed Mushtaque Raza Chowdhury PhD	Director	02 (02)
8.	Prof. (Dr.) Farhana Dewan	Director	09 (12)
9.	Mr. Muhammed Farhad Hussain FCA	Director	12 (12)
10.	Mr. Aftab ul Islam FCA	Director	12 (12)
11.	Ms. Rokeya Quader	Director	07 (10)
12.	Mr. Md. Siddique Ullah	Director	11 (12)
13.	Mr. Md. Ali Reza Khan	MD & CEO, SMC and Ex-officio Director	12 (12)
14.	Mr. Abdul Haque	MD, SMC EL and Ex-officio Director	(10)12

Prof. Ahmed Mushtaque Raza Chowdhury PhD, Dr. Jahir Uddin Ahmed and Dr. Yasmin Hemayet Ahmed were appointed as a Director of SMC in 33rd AGM of the Company held on March 28, 2022.

The Directors who could not attend the meetings were granted leave of absence from the meeting with prior notice u/s 108 (f) of the Companies Act 1994.

## Chairman of the Board

In accordance with clause 39 of the Articles of Association of the Company, the Board of Directors of the Social Marketing Company (SMC) at its 205th meeting held on September 05, 2021 appointed Mr. Waliul Islam as the Chairman of the Company with effect from 7th September 2021. He took over the charge from Mr. Siddiquir Rahman Choudhury after the completion of his tenure.

## Board Sub-committees

In accordance with the Clause 42(d) of the Articles of Association of the Company SMC formed 07 Sub-committees of the Board. Each Committee/ Sub-committee/Board Committee operates in accordance with the Charter/Terms of Reference (ToR) approved by the Board. The Board delegated certain responsibilities to the Sub-committees. The Board Sub-committees meet as and when required and, in their meetings, make deliberation on the issues relating to their respective areas as authorized by the Board and make recommendations to the Board.



The number of Sub-committee meetings held during the FY 2021-22 are tabled below:

Sl.	Particulars	No. of Meeting
01.	Audit Committee (Joint)	09
02.	Board Sub-committee on Program Development of SMC	04
03.	Board Sub-committee on Personnel Policy and Administrative Matters (Joint)	07
04.	Board Sub-committee on Procurement of SMC	01
05.	Board Sub-committee on Procurement of SMC EL	04
06.	Board Sub-committee on Construction and Engineering Works	03
07.	Board Sub-committee on SMC Pharma Factory Setting up	00

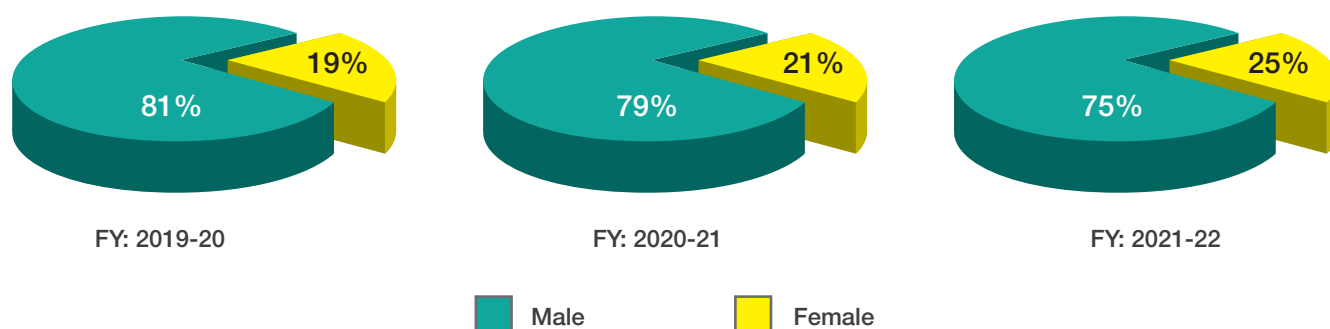
## Human Resource Management

The Human Resource Division (HRD) of SMC continues to promote and nurture the culture of a safe, diverse and inclusive workplace with fairness and respect for all and ensures good governance across the Company. The function of the division has been evolving significantly in the last several years. The hunt for finding the appropriate talent to get the candidate of right choice has been made which led SMC to emphasize human resources more prominently than before.

## Staffing and Workforce Planning

As on June 30, 2022, SMC had a total of 363 employees, of which 91 employees (25%) were female. Female employees have been increasing gradually, which conforms to the prime focus of the management to engage more female employees in the workforce.

Ratio of Male-Female Employees



Details of human resource management are discussed in the separate chapter 'Human Resource Management - SMC' in page 71 of the Annual Report.

## Gender Equality

You are aware that SMC in line with its objectives has always focused on intervention towards women empowerment through improving health status of women and endeavors to adopt gender sensitive approach as to eliminate inequalities in the society. In this context the Company has recently formulated a gender policy for achieving gender equality within the organization and its scope of work thereby ensuring a gender-friendly work environment. Accordingly, the Management has already given priority to recruit the female candidates with a view to minimize the gap of male-female ratio.



## Engineering and Construction Services

This division of SMC is rendering commendable services in the field of infrastructural development for both SMC and its subsidiary (SMC EL). The major highlights are given below:

- Successfully completed the construction works of Food Manufacturing Division (FMD) expansion project. Also, installed a fire detection and protection system, variable refrigerant flow (VRF) system in the production floor at Bhaluka.
- Has completed drawing, design and structural works of new worker change room of ORS factory located on the 1st floor of finished goods warehouse to accommodate 340 workers.
- Successfully installed fire detection and protection system, two passenger lifts and one service lift in the production floor at H & H factory, Cumilla.
- Completed construction of vertical extension of Cumilla Health and Hygiene Factory expansion project (Phase 2) building having production floor area of 14,500 sft in the 1st floor.
- SMC EL Board in its 65th meeting approved the Fast-Moving Consumer Goods (FMCG) project at Bhabanipur which is so far the largest construction project of SMC. Total project cost is around Tk. 180 Crore. In this regard Master layout, Architectural drawing & design have completed. The civil construction work has started on time to finish the project within June 2024.



FMCG project layout plan

## Activities Related to Information and Communication Technology

In order to develop a robust business process automation of SMC & SMC EL, the ICT division plays very important role to expedite the decision-making process of the organization. Following are the major projects/tasks which were successfully completed in the FY 2021-22.

- Completed a few milestones of the SAP ERP (SAP-Systems Applications and Products & ERP-Enterprise Resource Planning) project which include approval from the Board, procurement of SAP license, cloud infrastructure preparation and an agreement with the potential system integrator.
- Internal communication of all the SMC offices have been strengthened by installing a state-of-art IP-PABX system.
- Ensured the Vulnerability Assessment (VA) on the overall ICT Infrastructure of all offices which was technically and financially assisted by the USAID Cybersecurity Integration for Partners and Hacking Emergency Response (CIPHER) Program.
- Installed a few Virtual Machines for migrating the Leave management systems, Account Servers, Antivirus server, additional domain controller for securing the optimum performance of Physical servers.
- Developed and implemented Project Monitoring System software for the management to monitor the Projects/Critical Tasks of the overall organization in a bird's eye view.
- Implemented e-Tender system in DSS Software.
- Developed and Implemented Meeting Management module in Leave & Attendance System. Implemented Employee's Healthcare management system.
- Developed and implemented the software for the Alliance for Combating Tuberculosis (ACTB) project.
- Re-designed and developed the website for the Pink Star (i-Plant & Relax) project.
- Prepared guidelines on the operations of ICT services to be utilized as a standard operating procedure.



- Conducted and facilitated comprehensive training programs on the ICT Policy Manual for around 550 employees of SMC and SMC EL.
- Installed a total of 102 surveillance cameras for SMC Head Office, Bhaluka Factory, Kustia Warehouse (rented), Bogura Warehouse (rented) and Cumilla Health & Hygiene Factory.
- Implemented Employee Healthcare Management System.

## Outlook for the FY 2022-23

SMC has been consistently contributing to improve the health and wellbeing of women, children and families through the social marketing of products and services. Despite of facing numerous obstacles, SMC consistently focuses on its mandates regarding public health by undertaking innovative programmatic activities aligning with its vision and mission. With a view to maintaining its current program operations more effectively, the management will pay special focus in the FY 2022-23 by adding the following activities:

- Expansion of SMC-funded community mobilization programs in another new 8 upazilas in addition to the existing 28 upazilas. In addition, community mobilization activities will be expanded in another 3 new upazilas under the USAID fund.
- Gold Star model will be expanded to urban areas in Dhaka, Chattogram, Barishal and Sylhet City Corporation.
- Expansion of Star Networks by adding approximately 1,500 Blue Star, 750 Green Star, 60 Pink Star, 75 Rose Star and 411 Gold Star members.
- Expansion of service packages of Star Network providers.
- Expansion of the coverage of clinic services by recruiting Consultants in different disciplines.
- Initiate campaign on anti-drug and anti-smoking.
- Develop a nutrition product for the geriatric population.
- Strengthen campaigns on long-acting and permanent methods (LAPM) in low-income urban areas.

## Appreciation

The Board records with deep appreciation the contribution, hard work and commitment made by the Management and all the employees of SMC for achieving significant growth during the difficult time. The Board would like to take this opportunity to thank the members, employees and other stakeholders for their continuous commitment, cooperation, confidence and support in achieving objectives and outcomes of the Company. We all need to take adequate precautions, wear masks and maintain social distancing as much as possible. Stay safe and healthy in the current times.

For and on behalf of the Board of Directors,



**Waliul Islam**

Chairman, Board of Directors  
Social Marketing company





# পরিচালকের প্রতিবেদন

## সোশ্যাল মার্কেটিং কোম্পানী (এসএমসি)



প্রিয় কোম্পানির সদস্যবৃন্দ,

কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে, সোশ্যাল মার্কেটিং কোম্পানী (এসএমসি)-এর ৩০ জুন, ২০২২ অর্থ বছরের নিরীক্ষকের প্রতিবেদনসহ নিরীক্ষিত আর্থিক বিবরণী এবং পরিচালকের প্রতিবেদন উপস্থাপন করতে পেরে আমি অত্যন্ত সম্মানিত বোধ করছি।

২০২১-২০২২ অর্থবছরের প্রথমার্ধে দ্বিতীয় এবং তৃতীয় পর্যায়ের কোভিড-১৯ মহামারীর কারণে আমাদের দেশের অর্থনৈতিক উন্নয়ন মারাত্মকভাবে ব্যাহত হয়। দ্বিতীয়ার্ধে, আমরা রাশিয়া এবং ইউক্রেনের মধ্যে যুদ্ধের কারণে বিশ্বব্যাপী অর্থনৈতিক অস্থিরতার সম্মুখীন হয়েছে। ফলে আমাদের দেশেও এর প্রভাব প্রবলভাবে অনুভূত হয়। প্রতিকূল পরিস্থিতি সত্ত্বেও, কোম্পানির স্থিতিস্থাপকতা এবং উত্তরোত্তর প্রবৃদ্ধির ফলে প্রোগ্রামের লক্ষ্যমাত্রা অর্জন সম্ভবপর হয়েছে। ২০২১-২২ অর্থবছরে অসামান্য সাফল্য ও সন্তোষজনক ফলাফল অর্জনে নিষ্ঠা, শৃঙ্খলা, একাত্মতা এবং কঠোর পরিশ্রমের জন্য কোম্পানির উর্ধ্বতন কর্মকর্তাবৃন্দ এবং সকল কর্মীদের প্রতি কৃতজ্ঞতা ও অভিনন্দন জ্ঞাপন করছি।

## প্রোগ্রামের সামগ্রিক অগ্রগতি

এসএমসি জনস্বাস্থ্য পণ্যের সহজলভ্যতা এবং স্বাস্থ্যসেবা প্রদানের মাধ্যমে নারী, শিশু, পারিবারিক স্বাস্থ্য ও সার্বিক উন্নয়নে ধারাবাহিকভাবে কাজ করে চলেছে। পরিবার পরিকল্পনা, মা ও শিশু স্বাস্থ্য, বয়ঃসন্ধিকালীন স্বাস্থ্য, পুষ্টি, যক্ষ্মা এবং অন্যান্য সামাজিক উন্নয়নের ক্ষেত্রগুলোতে উল্লেখযোগ্য ভূমিকা রেখে চলেছে। এসএমসি'র লক্ষ্য হল ব্র্যান্ড পরিচিতি, ব্র্যান্ডের বিশ্বস্ততা, বাজারের অবস্থান এবং খ্যাতিকে কাজে লাগিয়ে বেসরকারি খাতের সাথে নতুন অংশীদারিত্ব প্রতিষ্ঠা করা এবং বাংলাদেশ সরকারের (GOB) সাথে সহযোগিতার বন্ধন দৃঢ় করা।

কোম্পানি বেসরকারি পর্যায়ের গ্র্যাজুয়েট এবং নন-গ্র্যাজুয়েট স্বাস্থ্য সেবাপ্রদানকারীদের সমন্বয়ে পাঁচটি স্টার নেটওয়ার্ক প্রতিষ্ঠা করেছে। এসএমসি'র স্টার নেটওয়ার্কের (বিএসপি, জিএসপি, পিএসপি, আরএসপি এবং জিএসএম) আওতাভুক্ত সেবাপ্রদানকারীরা সারাদেশে জনস্বাস্থ্য পণ্যের চাহিদা ও সরবরাহ, স্বাস্থ্যবর্তা প্রচার এবং সেবা প্রদান করছে। এই স্টার নেটওয়ার্ক সেবাপ্রদানকারীরা সমগ্র দেশ জুড়ে বিস্তৃত।

প্রোগ্রাম নেটওয়ার্কের ভৌগলিক কাভারেজ

প্রোগ্রামের ধরন/নেটওয়ার্ক	নেটওয়ার্কভুক্ত জেলার সংখ্যা	নেটওয়ার্কভুক্ত উপজেলার সংখ্যা	সদস্য সংখ্যা
ব্লু-স্টার	৬৪	৪৯২	৯,৪০৬
গ্রীন স্টার	৬৪	৪৯২	৪,৪০৬
পিঙ্ক স্টার	৫৫	-	৫০০
রোজ স্টার	৪	-	৭৭
গোল্ড স্টার-গ্রামীণ	২৫	৯৩	২,৭৭৩
গোল্ড স্টার-শহর এলাকা	২	তিনটি ওয়ার্ড	৪৫

\* বিএসপি: ব্লু-স্টার সেবাপ্রদানকারী, জিএসপি: গ্রীন স্টার সেবাপ্রদানকারী, পিএসপি: পিঙ্ক স্টার স্টার সেবাপ্রদানকারী, আরএসপি: রোজ স্টার সেবাপ্রদানকারী, জিএসএম: গোল্ড স্টার সদস্য।

সারা দেশে এসএমসি'র একটি শক্তিশালী বিক্রয় এবং বিতরণ নেটওয়ার্ক রয়েছে এবং ২০২১-২২ অর্থবছরে ১৫৭,৮৩৪টি ফার্মেসি, ৫৫৪,৩৩০টি নন-ফার্মেসি আউটলেটে সফলভাবে পণ্য সরবরাহ করেছে।

প্রোগ্রাম কর্মসূচির সঠিক বাস্তবায়নে কোম্পানির চারটি মূল চালিকা শক্তি রয়েছে সেগুলো হলো বেসরকারি খাতের স্বাস্থ্য সেবাপ্রদানকারীদের দক্ষতা বৃদ্ধি, আচরণগত পরিবর্তন, সম্প্রদায়ের সংহতি এবং নারী উদ্যোক্তাদের দক্ষতা উন্নয়ন।



## ২০২১-২২ অর্থবছরের উল্লেখযোগ্য বার্ষিক কার্যক্রম:

- এসএমসি সারা দেশে ১২টি প্রোগ্রাম পণ্য বাজারজাত করেছে। এসএমসি প্রোগ্রাম পণ্যের চাহিদা বৃদ্ধির লক্ষ্যে বিভিন্ন বিপণন কৌশল গ্রহণ করেছে। প্রতিবেদনের সময়কালে, এসএমসি 4,573,402টি ইঞ্জেক্টেবলস, 40,355,245 স্যাশে মনিমিক্স, 6,692,660টি ভর্মিসিড ট্যাবলেট এবং 62,848 প্যাকেট সেফ ডেলিভারি কিট বিক্রি করেছে।
- ২০২১ সালের জুলাই মাসে, এসএমসি গর্ভবতী মহিলাদের পুষ্টির অবস্থা উন্নয়ন এবং কম ওজন সম্পন্ন (LBW) শিশু জন্ম হ্রাসে মাল্টিপল মাইক্রোনিউট্রিয়েন্ট সাপ্লিমেন্ট (MMS) 'ফুলকেয়ার' চালু করে। এসএমসি প্রতিবেদনকালীন সময়ে 1,317,522 ব্লিস্টার 'ফুলকেয়ার' বিক্রি করে।
- এসএমসি ঢাকা ও চট্টগ্রামে ৮টি নতুন উপজেলা এবং শহর এলাকায় ২টি গোল্ড স্টার প্রোগ্রাম সম্প্রসারিত করেছে।
- উঠান বৈঠক, আন্তঃব্যক্তিক যোগাযোগ (IPC) এবং স্কুল সেশনের মাধ্যমে সচেতনতা বৃদ্ধি এবং স্বাস্থ্যসম্মত আচরণ ও অনুশীলনে ইতিবাচক পরিবর্তন আনার ক্ষেত্রে এসএমসি কমিউনিটি পর্যায়ে ব্যাপক প্রচারণা কার্যক্রম পরিচালনা করে। মোট 666,413 জন প্রজনন বয়সী বিবাহিত নারী (MWRA) উঠান বৈঠকে অংশগ্রহণ করেন এবং রিপোর্টিং সময়ে স্বাস্থ্য সেশন পরিচালনার মাধ্যমে 357,710 জন কিশোর-কিশোরীদের মাঝে বয়ঃসন্ধিকালীন স্বাস্থ্যবর্তী প্রচার করা হয়।
- মোট 2,818 জন গোল্ড স্টার সদস্য (নারী উদ্যোক্তা) স্বাস্থ্যবর্তী প্রচার এবং লক্ষ্যিত জনগোষ্ঠীর দোরগোড়ায় জনস্বাস্থ্য পণ্য পৌঁছে দিতে গ্রামীণ এবং শহর এলাকায় সক্রিয়ভাবে কাজ করছেন। প্রতিবেদনকালীন সময়ে গোল্ড স্টার মেম্বারগণ ২৩ (তেইশ) কোটি টাকার পণ্য বিক্রি করেছে। গত বছরের তুলনায় এ বছরে বিক্রয় রাজস্ব ৩৫% বৃদ্ধি পেয়েছে।
- ২০২১-২২ অর্থবছরে, এসএমসি প্রোগ্রাম কার্যক্রম প্রসারিত করার লক্ষ্যে স্টার নেটওয়ার্ক সেবাপ্রদানকারীদের দক্ষতা বৃদ্ধির প্রচেষ্টা অব্যাহত রেখেছে। মৌলিক প্রশিক্ষণের মাধ্যমে 1,049 জন ব্রু-স্টার, ৫১৩ জন গ্রীন স্টার, ৮৪ জন পিঙ্ক স্টার এবং ৭৭ জন রোজ স্টার সেবাপ্রদানকারীকে সম্পৃক্তকরণের মাধ্যমে স্টার নেটওয়ার্কের সদস্য সংখ্যা সম্প্রসারণ করা হয়েছে। এছাড়াও এসএমসি ২৩০ জন মহিলা উদ্যোক্তা অন্তর্ভুক্ত করে গোল্ড স্টার সদস্য সংখ্যা সম্প্রসারিত করেছে। এরই ধারাবাহিকতায় এসএমসি স্থানীয় ও গণমাধ্যমে যোগাযোগ কার্যক্রম পরিচালনার মাধ্যমে নেটওয়ার্ক সম্প্রসারণের প্রয়াস চালিয়ে যাচ্ছে।
- রিপোর্টিং বছরে ব্রু-স্টার সেবাপ্রদানকারী 8,667 জন থেকে 9,406 জন, গ্রীন স্টার সেবাপ্রদানকারী 4,271 জন থেকে 4,406 জন এবং পিঙ্ক স্টার সেবাপ্রদানকারী ৪৫৫ জন থেকে ৫০০ জনে উন্নীত হয়েছে।
- এসএমসি পাঁচ বছরের কম বয়সী শিশুদের শারীরিক বৃদ্ধি পর্যবেক্ষণ এবং প্রচার (GMP) সেবা প্রদানের লক্ষ্যে শিশু বিশেষজ্ঞদের সম্পৃক্তকরণের মাধ্যমে রোজ স্টার নামে একটি নতুন নেটওয়ার্ক গঠন করেছে। মোট ৭৭ জন শিশু বিশেষজ্ঞ এবং তাদের সহকর্মীবৃন্দ নতুন নেটওয়ার্কে অন্তর্ভুক্তির জন্য মৌলিক প্রশিক্ষণ গ্রহণ করেছেন।
- এমএমএস প্রকল্পের লক্ষ্য হলো মাতৃস্বাস্থ্য ও শিশুর পুষ্টি অবস্থার উন্নয়নের মাধ্যমে কম ওজন সম্পন্ন ও অপরিণত শিশুর জন্ম হ্রাস করা। এই প্রকল্পের অধীনে এসএমসি বাংলাদেশের অবস্টেট্রিক্যাল অ্যান্ড গাইনোকোলজিক্যাল সোসাইটি অব বাংলাদেশ (OGSB)-এর সহযোগিতায় 10,041 জন ব্রু-স্টার এবং গ্রীন স্টার সেবাপ্রদানকারীকে প্রশিক্ষণ দিয়েছে। এছাড়াও 2,315 জন গোল্ড স্টার এবং ১৮০ জন পিঙ্ক স্টার সেবাপ্রদানকারীকে ফুলকেয়ার-এর কার্যকারিতা সম্পর্কে অবহিত করা হয়।
- নতুন বাজারজাতকৃত ফুলকেয়ার ব্র্যান্ডের চাহিদা বৃদ্ধি এবং গ্রাহকদের কাছে জনপ্রিয় করে তোলার লক্ষ্যে এসএমসি ৬৫৬ জন প্রসূতি ও স্ত্রীরোগ বিশেষজ্ঞ (OBGYNs) এবং থ্রাজুয়েট ডাক্তারদের সাথে জেলা পর্যায়ে সাতটি এবং উপজেলা পর্যায়ে বারোটি বৈজ্ঞানিক সেমিনারের আয়োজন করে।
- ইউএসএআইডি'র অ্যালায়েন্স ফর কমব্যাটিং টিউবারকিউলোসিস ইন বাংলাদেশ (ACTB)-এর একটি কনসোর্টিয়াম সদস্য হিসেবে, এসএমসি যক্ষ্মার বিরুদ্ধে লড়াইয়ে গুরুত্বপূর্ণ কার্যক্রম চালিয়ে যাচ্ছে। এসএমসি'র প্রশিক্ষিত স্টার নেটওয়ার্ক সেবাপ্রদানকারীরা রিপোর্টিং সময়ের মধ্যে পরীক্ষিত গ্রাহকদের মধ্যে 36,665 জনকে সন্দেহজনক যক্ষ্মা রোগী হিসেবে শনাক্ত করেন। এদের মধ্যে 3,207 জন যক্ষ্মা রোগে আক্রান্ত এবং চিকিৎসাধীন ছিলেন।



- প্রতিবেদনের সময়কালে, নীলতারা ক্লিনিক পরিচালনা ব্যয়ের ৭৩% লক্ষ্যমাত্রার বিপরীতে ৯২% অর্জন করে। অনুরূপভাবে, এসএমসি টাওয়ার-২ এ অবস্থিত এসএমসি ক্লিনিক রিপোর্টিং সময়কালে পরিচালনা ব্যয়ের ৩৬% লক্ষ্যমাত্রার বিপরীতে ৩৫% অর্জন করে। এই সময়কালে উভয় ক্লিনিকে মোট গ্রাহকের সংখ্যা ছিল ৩৪,৮৯৮ জন।

বার্ষিক প্রতিবেদনের ৫৪তম পৃষ্ঠায় “এসএমসি প্রোগ্রাম কার্যক্রম” নামে একটি পৃথক অধ্যায়ে প্রোগ্রামের সার্বিক কর্মকাণ্ড, ভূমিকা, অবদান এবং গুরুত্বপূর্ণ দিকসমূহ নিয়ে বিস্তারিত আলোচনা করা হয়েছে।

## গবেষণা ও পর্যবেক্ষণ

এসএমসি’র প্রোগ্রাম এবং বিক্রয় ও বিপণন কার্যক্রমের প্রভাব নির্ণয়ে প্রতি বছর কয়েকটি গবেষণা প্রকল্প গ্রহণ ও পরিচালনা করা হয়। এসএমসি’র গবেষণা দলের মূল লক্ষ্য হলো প্রোগ্রাম কর্মকাণ্ডগুলোকে কার্যকর এবং দক্ষতার সাথে পরিচালনার জন্য সঠিক এবং যথাযথ তথ্য প্রদানের মাধ্যমে বিপণন এবং প্রোগ্রাম কর্মসূচির বিকাশে সমর্থন করা। গবেষণার ফলাফলগুলো প্রাসঙ্গিক ব্যবহারকারীদের সমস্যা চিহ্নিতকরণ এবং ভাল ফলাফল অর্জনের জন্য প্রোগ্রাম পদক্ষেপসমূহকে পুনরায় সাজাতে সাহায্য করে থাকে। কোম্পানির গবেষণা ও পর্যবেক্ষণ বিভাগ প্রোগ্রাম কার্যক্রমসমূহের প্রভাব অনুধাবনের জন্য নিম্নলিখিত ছয়টি প্রধান গবেষণা প্রকল্প গ্রহণ এবং বাস্তবায়ন করেছে:

- এসএমসি’র অর্থায়নকৃত গোল্ড স্টার সদস্যদের (জিএসএম) কার্যক্রম মূল্যায়ন
- এসএমসি এবং এর প্রতিযোগী পণ্যসমূহের সহজলভ্যতা বিশ্লেষণ
- সোমা-জেক্ট টিভিসি এবং পপ-আপ এর প্রচার-পরবর্তী মূল্যায়ন
- কমিউনিটি মোবাইলাইজার (সিএম) এবং গোল্ড স্টার সদস্যদের (জিএসএম) দ্বারা পরিচালিত উঠান বৈঠকের কার্যকারিতা মূল্যায়ন
- ব্লু-স্টার সেবাপ্রদানকারী কর্তৃক পরিচালিত ‘মা সমাবেশ’-এর কার্যকারিতা পর্যবেক্ষণ

বার্ষিক প্রতিবেদনের ৬৭তম পৃষ্ঠায় “গবেষণা অন্তর্দৃষ্টি” নামে একটি পৃথক অধ্যায়ে গবেষণা কার্যক্রম সম্পর্কে বিস্তারিত আলোচনা করা হয়েছে।

## আর্থিক ফলাফল

### সমন্বিত আর্থিক বিবরণী

- ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (IFRS) / ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড (IAS)-এর বিধি-বিধান অনুযায়ী সমন্বিত আর্থিক বিবরণী প্রস্তুত করা হয়েছে যেখানে কোম্পানির আর্থিক কার্যক্রম প্রতিফলিত হয়েছে। রিপোর্টিং সময়ের মধ্যে এসএমসি’র মোট রাজস্ব আয় ছিল ১,২৪২ কোটি টাকা এবং নিট মুনাফা ছিল ১০৩ কোটি টাকা। গত বছরের তুলনায় নিট বিক্রয় ১৭% বৃদ্ধি পেয়েছে এবং নিট মুনাফা ৪% হ্রাস পেয়েছে। মূলত এসএমসি’র নিজস্ব অর্থায়নে প্রোগ্রাম কর্মসূচি সম্প্রসারণের কারণে নিট মুনাফা হ্রাস পেয়েছে।

### মূল আর্থিক বৈশিষ্ট্যসমূহ

(টাকায়)

বিবরণ	অর্থবছর ২০২১-২২	অর্থবছর ২০২০-২১
মূল রাজস্ব	11,044,504,823	9,433,531,607
মোট লাভ	4,222,707,508	3,657,108,213
ট্যাক্স পরবর্তী নিট মুনাফা	1,030,402,686	1,076,698,023
মূলধন তহবিল	3,174,814,168	3,320,590,141
পুঞ্জীভূত মুনাফা	5,185,732,502	4,009,554,446



## স্বতন্ত্র আর্থিক বিবরণী - সোশ্যাল মার্কেটিং কোম্পানী

৩০ জুন, ২০২২ তারিখ নাগাদ প্রোগ্রাম অপারেশনের বিক্রয় থেকে প্রাপ্ত এসএমসি'র স্বতন্ত্র রাজস্ব আয় ৪৮% বৃদ্ধি পেয়ে ৩০ কোটিতে পৌঁছায়।

৩০ জুন, ২০২২ তারিখ পর্যন্ত সমাপ্ত বছরের আয় ও ব্যয়ের বিবরণী

(টাকায়)

বিবরণ	অর্থবছর ২০২১-২২	অর্থবছর ২০২০-২১
রাজস্ব	304,981,952	205,058,293
অনুদানপ্রাপ্ত আয়	475,620,453	309,749,552
এসএমসি ক্লিনিক থেকে প্রাপ্ত আয়	53,984,937	28,424,751
কর্পোরেট আয়	363,095,236	383,746,120
মোট খরচ	(1,181,702,231)	(838,984,398)
রাজস্ব কর প্রদানের পূর্বে মোট উদ্ধৃত	15,980,347	87,994,319

বার্ষিক প্রতিবেদনের ৮০তম পৃষ্ঠায় ২০২১-২২ অর্থবছরের অপারেশনাল ফলাফলের বিশদ বিবরণ এবং অন্যান্য অপারেটিং খরচ ও আর্থিক তথ্য “আর্থিক সক্ষমতা পর্যালোচনা” নামে একটি পৃথক অধ্যায়ে আলোচনা করা হয়েছে।

## সাবসিডিয়ারি অপারেশন (এসএমসি এন্টারপ্রাইজ লিমিটেড)

এসএমসি'র কার্যক্রমসমূহ থেকে লাভজনক কার্যক্রমগুলো পৃথক করার লক্ষ্যে এসএমসি একটি নিজস্ব মালিকানাধীন সহায়ক সংস্থা এসএমসি এন্টারপ্রাইজ লিমিটেড গঠন করে। এসএমসি ইএল শেয়ার দ্বারা গঠিত একটি লিমিটেড সাবসিডিয়ারি কোম্পানি যা অক্টোবর ২০১৪ সালে প্রতিষ্ঠিত হয়। এসএমসি'র ৯৯.৯৯% সাধারণ শেয়ার রয়েছে যেখানে শুধুমাত্র দুটি সাধারণ শেয়ার বোর্ডের দুই সদস্যের মালিকানাধীন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট সুশাসন অনুযায়ী কোম্পানি তার অধীনস্থ সকল কার্যক্রমসমূহ নিশ্চিত করেছে:

- সহায়ক কোম্পানির বোর্ড গঠন সংক্রান্ত বিধান
- হোল্ডিং কোম্পানির বোর্ড সভায় সহায়ক কোম্পানির বিষয়গুলো পর্যালোচনা করা হয়
- সহায়ক কোম্পানির বোর্ড সভার কার্যবিবরণী হোল্ডিং কোম্পানির বোর্ড সভায় পর্যালোচনার জন্য পেশ করা হয়
- সাবসিডিয়ারি কোম্পানির আর্থিক বিবরণী উভয় প্রতিষ্ঠানের যৌথ অডিট কমিটি দ্বারা পর্যালোচনা করা হয়

রিপোর্টিং বছরে, এসএমসি ইএল মোট 1,212 কোটি টাকার বিক্রয় রাজস্ব অর্জন করে এবং বছরের পর বছর রাজস্ব বৃদ্ধির ধারা অব্যাহত রেখেছে। ১৮% প্রবৃদ্ধির সাথে মোট মুনাফা ছিল ৪০৩ কোটি টাকা এবং কর প্রদানের পূর্বে মুনাফা ছিল ১৬৪ কোটি টাকা।

## পরিচালকগণের অবসর গ্রহণ এবং নির্বাচন

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ৪৫ অনুচ্ছেদ অনুযায়ী, পরিচালকমণ্ডলীর এক তৃতীয়াংশ অবসর নিবেন। পরিচালকমণ্ডলীর মধ্যে তারাই অবসর নিবেন যারা বিগত নির্বাচনের পর থেকে দীর্ঘ সময় কর্মরত ছিলেন। একজন অবসরপ্রাপ্ত পরিচালক পুনর্নির্বাচনের জন্য যোগ্য হতে পারবেন। তবে কোনো ব্যক্তি পর পর দু'বারের অধিক মেয়াদে পরিচালক হিসেবে নির্বাচনের যোগ্য হতে পারবেন না।

উপরোক্ত ধারা অনুসারে, তিনজন পরিচালক অবসর গ্রহণ করবেন (নয়জন পরিচালকের মধ্যে এক তৃতীয়াংশ)। জনাব মোহাম্মদ আলী, একজন পরিচালক হিসেবে ১৫ জুন, ২০২০ তারিখে অনুষ্ঠিত ৩১তম বার্ষিক সাধারণ সভায় পুনর্নির্বাচিত হন এবং গত নির্বাচনের পর থেকে তার কাজ করার সময়কাল অন্যদের তুলনায় দীর্ঘ হওয়ার কারণে ৩৪তম সভায় তিনি অবসর গ্রহণ করবেন।



তিনজন পরিচালক যথাক্রমে, জনাব মোঃ সিদ্দিক উল্লাহ, জনাব এ কে এম আফতাব উল ইসলাম এফসিএ এবং জনাব মোহাম্মদ ফরহাদ হোসেন এফসিএ ৩০ মার্চ, ২০২১ তারিখে অনুষ্ঠিত ৩২তম বার্ষিক সাধারণ সভায় পরিচালক হিসেবে পুনর্নির্বাচিত হন এবং টানা দুই বছর দায়িত্ব পালন করার পর ৩৪তম সভায় অবসর গ্রহণ করবেন।

তথাপি, একই দিনে দুইজন পরিচালক অবসর গ্রহণের বিষয়ে কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ৪৫ অনুচ্ছেদে স্পষ্টত উল্লেখ রয়েছে যে, “যেসকল ব্যক্তি একই দিনে পরিচালক হয়েছেন এবং তাদের মধ্যে কেউ যদি অবসর গ্রহণের সময় সম্মত না হয় তাহলে লটারির মাধ্যমে নির্ধারিত হবে”। অতএব, উল্লেখিত তিনজন পরিচালকের মধ্যে কোন দুইজন অবসরে যাবেন সে বিষয়ে নিজেদের মধ্যে একমত হতে না পারলে লটারির মাধ্যমে সিদ্ধান্ত গৃহীত হবে।

## উল্লেখযোগ্য বিষয়

এসএমসি’র ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা হিসেবে জনাব মোঃ আলী রেজা খানের চুক্তির মেয়াদ শেষ হওয়ার কারণে প্রতিবেদনকালীন সময়ের পরে উক্ত পদটি শূন্য হয়। কোম্পানির পরিচালনা পর্ষদ ১ সেপ্টেম্বর, ২০২২ তারিখে জনাব তছলিম উদ্দিন খানকে এসএমসি’র ভারপ্রাপ্ত ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা হিসেবে নিযুক্ত করেন এবং ১ জানুয়ারি ২০২৩ তারিখে তিনি ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা হিসেবে পুনঃনিয়োগ প্রাপ্ত হন।

## সংবিধিবদ্ধ নিরীক্ষক নিয়োগ

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ৪৯ অনুচ্ছেদ এবং কোম্পানি আইন ১৯৯৪ এর ২১০-২১৩ ধারা অনুযায়ী কোম্পানির সংবিধিবদ্ধ নিরীক্ষক ম্যাবস এন্ড জে পার্টনারস চার্টার্ড অ্যাকাউন্টেন্টস ৩৪তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন। বিদ্যমান নিরীক্ষকগণ টানা তিন বছর দায়িত্ব পালন করেছেন। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের প্রজ্ঞাপন অনুযায়ী এবং কোম্পানির রীতি-নীতি ও প্রথা অনুযায়ী প্রতি তিন বছর পর পর সংবিধিবদ্ধ নিরীক্ষক পরিবর্তন করতে হবে। অতএব, কোম্পানির আসন্ন ৩৪তম বার্ষিক সাধারণ সভায় ২০২২-২৩ সালের জন্য একজন নতুন নিরীক্ষক নিয়োগ করা প্রয়োজন।

২৬শে ডিসেম্বর, ২০২২ তারিখে অনুষ্ঠিত ২১৯তম বোর্ড সভায় ২০২২-২৩ অর্থবছরের জন্য মেসার্স ACNABIN, চার্টার্ড অ্যাকাউন্ট্যান্টসকে অডিট ফি বাবদ (ভ্যাট ব্যতিত) 315,000/- টাকা সুপারিশ করেছে যারা পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত কার্যক্রম চালিয়ে যাবে। মেসার্স ACNABIN, চার্টার্ড অ্যাকাউন্ট্যান্টসকে সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগের প্রস্তাব কোম্পানির আসন্ন বার্ষিক সাধারণ সভায় পেশ করা হবে।

## প্রাতিষ্ঠানিক সুশাসন

কোম্পানির পরিচালনা পর্ষদের প্রতিবেদন কোম্পানি আইন ১৯৯৪-এর ১৮৪ (১) ধারা এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর প্রাতিষ্ঠানিক সুশাসন বিধি ২০১৮ অনুসারে প্রস্তুত করা হয়।

এসএমসি বিশ্বাস করে যে, প্রাতিষ্ঠানিক সুশাসন, মূল্যবোধ এবং কৌশলগত দায়িত্বের অধীনে কোম্পানির ব্যবসায়িক কার্যক্রম সুষ্ঠু ও স্বচ্ছভাবে পরিচালনা করা অপরিহার্য। আমাদের জন্য, কর্পোরেট গভর্নেন্স একটি নৈতিক ব্যবসায়িক প্রক্রিয়াকে প্রতিনিধিত্ব করে যার লক্ষ্য হলো প্রাতিষ্ঠানিক খ্যাতি, সুনাম এবং স্থায়িত্ব বৃদ্ধি করা। আমরা বিশ্বাস করি আমাদের সুশাসন প্রক্রিয়াসমূহ প্রাতিষ্ঠানিক বিধি এবং কৌশল অবলম্বনে স্বচ্ছতা প্রদান করে এবং আমাদের সিদ্ধান্ত গ্রহণের প্রক্রিয়াকে পরিমার্জিত করতে সহায়তা করে। এটি আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাকে শক্তিশালী করার মাধ্যমে কোম্পানির সকল স্টেকহোল্ডারদের সাথে ইতিবাচক সম্পর্ক গড়ে তুলতে সহায়তা করে থাকে। আমরা স্বচ্ছতায় বিশ্বাস করি এবং সর্বদা প্রাতিষ্ঠানিক সুশাসনের সর্বোত্তম অনুশীলনগুলো মেনে চলতে প্রতিশ্রুতিবদ্ধ। বার্ষিক প্রতিবেদনের ৭৪তম পৃষ্ঠায় “প্রাতিষ্ঠানিক সুশাসন প্রতিবেদন” নামে একটি পৃথক অধ্যায়ে বিস্তারিত আলোচনা করা হয়েছে।



## বোর্ড সভা এবং উপস্থিতি

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশন এবং কোম্পানি আইন ১৯৯৪-এর ৯৬ ধারা অনুযায়ী প্রতি ত্রৈমাসিকে একবার এবং বছরে চারবার বোর্ড সভার আয়োজন করা বাঞ্ছনীয়। ২০২১-২২ অর্থবছরে কোম্পানির পরিচালনা পর্ষদ মোট ১২ বার বোর্ড সভার আয়োজন করে। প্রতিটি বোর্ড সভার নোটিশ সভা অনুষ্ঠিত হওয়ার আগে লিখিতভাবে পেশ করা হয়। ২০২১-২২ অর্থবছরে বোর্ড সভা এবং পরিচালকমন্ডলীর উপস্থিতির সংখ্যা নীচে তালিকাভুক্ত করা হলো:

ক্রমিক সংখ্যা	পরিচালকগণের নাম	এসএমসি বোর্ডে অবস্থান	বোর্ড মিটিংয়ে উপস্থিতির সংখ্যা
১.	জনাব ওয়ালিউল ইসলাম	চেয়ারম্যান	১২ (১২)
২.	ডাঃ জহির উদ্দিন আহমেদ	পরিচালক	০২ (০২)
৩.	জনাব ফারুক আহমেদ	পরিচালক	১০ (১০)
৪.	ডাঃ ইয়াসমিন হেমায়েত আহমেদ	পরিচালক	০২ (০২)
৫.	জনাব মোহাম্মদ আলী	পরিচালক	১২ (১২)
৬.	জনাব সিদ্দিকুর রহমান চৌধুরী	পরিচালক	১০ (১০)
৭.	প্রফেসর আহমেদ মুশতাক রাজা চৌধুরী পিএইচডি	পরিচালক	০২ (০২)
৮.	প্রফেসর ডাঃ ফারহানা দেওয়ান	পরিচালক	০৯ (১২)
৯.	জনাব মোহাম্মদ ফরহাদ হোসেন এফসিএ	পরিচালক	১২ (১২)
১০.	জনাব আফতাব উল ইসলাম এফসিএ	পরিচালক	১২ (১২)
১১.	বেগম রোকেয়া কাদের	পরিচালক	০৭ (১০)
১২.	জনাব মোহাম্মদ সিদ্দিক উল্লাহ	পরিচালক	১১ (১২)
১৩.	জনাব মোহাম্মদ আলী রেজা খান	ব্যবস্থাপনা পরিচালক ও সিইও, এসএমসি এবং পদাধিকারবলে পরিচালক	১২ (১২)
১৪.	জনাব আব্দুল হক	ব্যবস্থাপনা পরিচালক, এসএমসি ইল এবং পদাধিকারবলে পরিচালক	১২ (১০)

প্রফেসর আহমেদ মুশতাক রাজা চৌধুরী পিএইচডি, ডাঃ জহির উদ্দিন আহমেদ এবং ডাঃ ইয়াসমিন হেমায়েত আহমেদ ২৮ মার্চ, ২০২২ তারিখে অনুষ্ঠিত কোম্পানির ৩৩তম বার্ষিক সাধারণ সভায় এসএমসি বোর্ডের পরিচালক হিসেবে নিযুক্ত হন।

যেসকল পরিচালকগণ সভায় অংশগ্রহণ করতে পারেননি তাদের অনুপস্থিতি কোম্পানি আইন ১৯৯৪-এর ১০৮ ধারা অনুযায়ী পূর্ববর্তী নোটিশ প্রদানের মাধ্যমে মঞ্জুর করা হয়।

## পরিচালনা পর্ষদের চেয়ারম্যান

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ৩৯ ধারা অনুসারে, ৫ সেপ্টেম্বর, ২০২১ তারিখে অনুষ্ঠিত ২০৫তম সভায় এসএমসি বোর্ড-এর পরিচালনা পর্ষদ জনাব ওয়ালিউল ইসলামকে কোম্পানির চেয়ারম্যান হিসেবে নিযুক্ত করেন যা ৭ সেপ্টেম্বর ২০২১ তারিখ থেকে কার্যকর হয়। তিনি প্রাক্তন চেয়ারম্যান জনাব সিদ্দিকুর রহমান চৌধুরীর স্থলাভিষিক্ত হয়েছেন।

## বোর্ড সাব কমিটি

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ৪২(ডি) ধারা অনুসারে, এসএমসি সাতটি বোর্ড সাব কমিটি গঠন করেছে। প্রতিটি কমিটি/উপ-কমিটি/বোর্ড কমিটি বোর্ড কর্তৃক অনুমোদিত সনদ/টার্মস অব রেফারেন্স (TOR) অনুযায়ী কাজ করে এবং অর্পিত দায়িত্ব পালন করে থাকে। বোর্ড কতিপয় সুনির্দিষ্ট দায়িত্ব সাব কমিটির ওপর অর্পণ করে থাকে। বোর্ড উপ-কমিটিগুলো প্রয়োজন অনুযায়ী বৈঠক করে এবং স্ব স্ব ক্ষেত্র সম্পর্কিত বিষয়গুলো নিয়ে আলোচনা করে এবং অনুমোদনের জন্য বোর্ডের কাছে সুপারিশ করে।



২০২১-২২ অর্থবছরে অনুষ্ঠিত উপ-কমিটির বৈঠকের সংখ্যা নীচের ছকে দেয়া হলো:

ক্রমিক সংখ্যা	উপ-কমিটির বিবরণ	কমিটির সভার সংখ্যা
১.	নিরীক্ষা সংক্রান্ত বোর্ড উপ-কমিটি	৯
২.	প্রোগ্রাম উন্নয়ন সংক্রান্ত বোর্ড উপ-কমিটি	৪
৩.	মানব সম্পদ নীতিমালা এবং প্রশাসনিক বিষয় সংক্রান্ত বোর্ড উপ-কমিটি	৭
৪.	এসএমসি'র ক্রয় সংক্রান্ত বোর্ড উপ-কমিটি	১
৫.	এসএমসি ইএল-এর ক্রয় সংক্রান্ত বোর্ড উপ-কমিটি	৪
৬.	নির্মাণ ও প্রকৌশল সংক্রান্ত বোর্ড উপ-কমিটি	৩
৭.	ফার্মা ফ্যাক্টরি প্রতিষ্ঠা সংক্রান্ত বোর্ড উপ-কমিটি	০

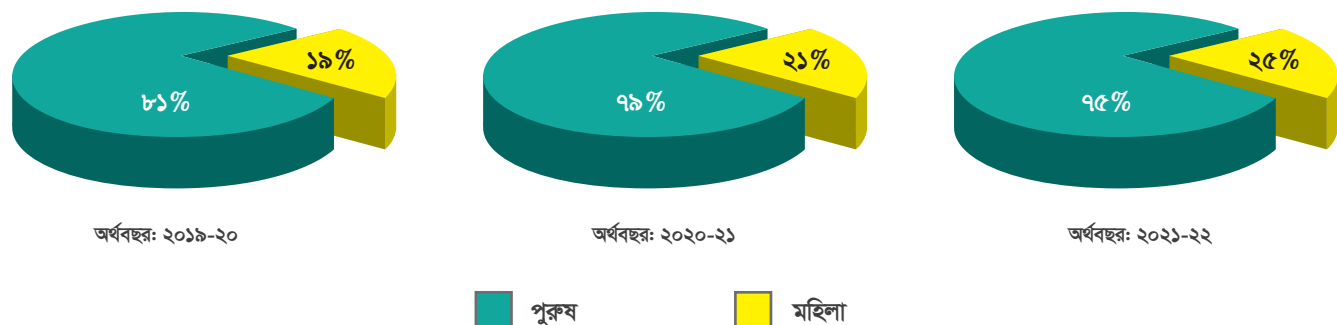
## মানব সম্পদ ব্যবস্থাপনা

এসএমসির মানবসম্পদ বিভাগ (HR) ন্যায্যতার সাথে একটি নিরাপদ, বৈচিত্রময় এবং সকলের প্রতি সম্মান ও প্রাতিষ্ঠানিক সুশাসন নিশ্চিত করতে প্রচেষ্টা চালিয়ে যাচ্ছে। বিগত কয়েক বছরে এই বিভাগের কার্যকর ভূমিকা উল্লেখযোগ্যভাবে বিস্তৃত ও বিকশিত হয়েছে। সঠিক ও প্রত্যাশিত প্রার্থী নিয়োগের জন্য উপযুক্ত এবং দক্ষ কর্মী অনুসন্ধানের মাধ্যমে এসএমসি এইচআর কার্যক্রমকে আরো গতিশীল এবং বেগবান করার ওপর জোর দিয়েছে।

## কর্মী পরিকল্পনা

৩০ জুন, ২০২২ পর্যন্ত, এসএমসি'র মোট কর্মী সংখ্যা ছিল ৩৬৩ জন যার মধ্যে ৯১ জন ছিল নারী কর্মী (২৫%)। কর্মক্ষেত্রে নারীর সক্রিয় অংশগ্রহণ এবং এই বিষয়ে ব্যবস্থাপনা কর্তৃপক্ষের নির্দেশনার সাথে সামঞ্জস্য রাখার কারণে নারী কর্মী সংখ্যা ক্রমান্বয়ে বৃদ্ধি পাচ্ছে।

পুরুষ এবং মহিলা কর্মীদের অনুপাত



বার্ষিক প্রতিবেদনের ৭১তম পৃষ্ঠায় “মানব সম্পদ ব্যবস্থাপনা” নামে একটি পৃথক অধ্যায়ে কর্মী ব্যবস্থাপনা বিষয়ে বিশদ বর্ণনা করা হয়েছে।

## জেন্ডার সমতা

এসএমসি নারীদের স্বাস্থ্য অবস্থার উন্নতির মাধ্যমে সর্বদা নারীর ক্ষমতায়নের দিকে মনোনিবেশ করছে এবং সমাজে বৈষম্য দূর করতে জেন্ডার সমতা নীতি অবলম্বন করার প্রচেষ্টা অব্যাহত রেখেছে। এই প্রেক্ষিতে এসএমসি সম্প্রতি প্রতিষ্ঠানের মধ্যে জেন্ডার-সমতা বজায় রাখতে একটি নীতি প্রণয়ন করেছে যা একটি উপযোগী, সহনশীল এবং নারী-বান্ধব কাজের পরিবেশ নিশ্চিত করে। সেই অনুযায়ী, ম্যানেজমেন্ট ইতিমধ্যেই পুরুষ-মহিলা অনুপাতের ব্যবধান কমিয়ে আনতে মহিলা কর্মী নিয়োগের উপর গুরুত্ব দিচ্ছে।



## নির্মাণ এবং প্রকৌশল সেবা

এসএমসি এবং এর সহযোগী প্রতিষ্ঠান এসএমসি ইএল উভয়কে অবকাঠামোগত উন্নয়নের ক্ষেত্রে নির্মাণ ও প্রকৌশল বিভাগ প্রশংসনীয় পরিষেবা প্রদান করে থাকে। প্রধান প্রধান উন্নয়ন কর্মকাণ্ডগুলো সংক্ষিপ্তভাবে নীচে বর্ণনা করা হল:

- ফুড ম্যানুফ্যাকচারিং ডিভিশন (FMD) ভবনের সম্প্রসারণ প্রকল্পের কাজ সফলভাবে সম্পন্ন হয়েছে। এছাড়াও ভালুকা ফ্যাক্টরির প্রোডাকশন ফ্লোরে সফলভাবে একটি আগুন সনাক্তকরণ এবং সুরক্ষা ব্যবস্থা, ভেরিয়েবল রেফ্রিজারেণ্ট ফ্লো (VRF) সিস্টেম স্থাপন করা হয়েছে।
- এসএমসি ওআরএস ফ্যাক্টরিতে সমাপ্ত পণ্যের গুদামজাতকরণের ১ম তলায় একটি নতুন চেঞ্জ রুমের নকশা সম্পন্ন করেছে যেখানে ৩৪০ জন কর্মী অবস্থান করতে পারবে।
- কুমিল্লার এইচ অ্যান্ড এইচ ফ্যাক্টরির প্রোডাকশন ফ্লোরে সফলভাবে একটি আগুন সনাক্তকরণ এবং দুটি যাত্রীবাহী লিফট এবং একটি সার্ভিস লিফট সফলভাবে স্থাপন করা হয়েছে।
- কুমিল্লার হেলথ অ্যান্ড হাইজিন ফ্যাক্টরিতে বর্ধিত ভবনের ১ম তলায় ১৪,৫০০ বর্গফুট এলাকা জুড়ে ভার্টিকাল সম্প্রসারণের কাজ সম্পন্ন হয়েছে।
- এসএমসি ইএল বোর্ড তার ৬৫তম সভায় ভবানীপুরে দ্রুত চলমান ভোগ্যপন্য (FMCG) প্রকল্প স্থাপনের অনুমোদন দিয়েছে যা এখন পর্যন্ত এসএমসি'র সবচেয়ে বৃহত্তম নির্মাণ প্রকল্প। প্রকল্পের মোট ব্যয় প্রায় ১৮০ কোটি টাকা। এই প্রকল্পের মূল নকশা এবং আর্কিটেকচারাল ড্রয়িং এর কাজ সম্পন্ন হয়েছে। জুন ২০২৪-এর মধ্যে সম্পন্ন করার লক্ষ্যে প্রকল্পটির নির্মাণ কাজ সময়মতো শুরু করা হয়েছে।



এফএমসিজি প্রকল্পের মূল নকশা

## তথ্য ও যোগাযোগ প্রযুক্তি সম্পর্কিত কার্যক্রম

আইসিটি বিভাগ কোম্পানির ব্যবসায়িক কার্যক্রম স্বয়ংক্রিয়করণ এবং সিদ্ধান্ত গ্রহণের প্রক্রিয়াকে ত্বরান্বিত করার ক্ষেত্রে গুরুত্বপূর্ণ ভূমিকা পালন করে চলেছে। ২০২১-২২ অর্থবছরে সফলভাবে সম্পন্ন করা প্রধান প্রকল্পগুলো নিচে আলোচনা করা হলো:

- এসএমসি অপারেশনাল উৎকর্ষতা বৃদ্ধি এবং তথ্য ব্যবস্থাকে এন্টারপ্রাইজ রিসোর্স প্ল্যানিং (ERP) সিস্টেমে আপগ্রেড করার লক্ষ্যে সিস্টেম এনালাইসিস ডেভেলপমেন্ট প্রোগ্রাম (SAP) প্রকল্প বাস্তবায়নে বেশ কয়েকটি মাইলফলক অতিক্রম করেছে যা ইতিমধ্যে বোর্ড কর্তৃক অনুমোদিত হয়েছে। এছাড়াও এসএপি লাইসেন্স সংগ্রহ, ক্লাউড অবকাঠামো প্রস্তুতি এবং সম্ভাব্য সিস্টেম ইন্টিগ্রেশনের সাথে একটি চুক্তি স্বাক্ষরিত হয়েছে।
- অত্যাধুনিক আইপি-পিএবিএক্স সিস্টেম স্থাপনের মাধ্যমে এসএমসি'র সকল অফিসের অভ্যন্তরীণ যোগাযোগ ব্যবস্থা জোরদার করা হয়েছে।
- ইউএসএআইডি'র সাইবার সিকিউরিটি ইন্টিগ্রেশন ফর পার্টনারস অ্যান্ড হ্যাংকিং ইমার্জেন্সি রেসপন্স (CIPHER) প্রকল্পের আর্থিক সহযোগিতায় সামগ্রিক আইসিটি অবকাঠামোর ভালবেরেবিলিটি এসেসমেন্ট (VA) নিশ্চিত করা হয়েছে।
- ছুটি ব্যবস্থাপনা, অ্যাকাউন্ট সার্ভার, অ্যান্টিভাইরাস সার্ভার, ফিজিক্যাল সার্ভারের সর্বোত্তম পারফরমেন্স সুরক্ষিত করতে অতিরিক্ত ডোমেন কন্ট্রোলার স্থানান্তর করার জন্য কয়েকটি ভার্চুয়াল মেশিন স্থাপন করা হয়েছে।
- কোম্পানির ব্যবস্থাপনা কার্যক্রম সঠিকভাবে সম্পাদনের জন্য প্রজেক্ট মনিটরিং সিস্টেম সফটওয়্যার তৈরি এবং বাস্তবায়ন করা হয়েছে যাতে সকল ক্রিয়াকলাপ এবং জটিল প্রক্রিয়াগুলো সামগ্রিকভাবে নজরদারি করা যায়।
- ডিএসএস সফটওয়্যারে ই-টেন্ডার সিস্টেম বাস্তবায়ন করা হয়।
- ছুটি এবং উপস্থিতি সিস্টেমে মিটিং ম্যানেজমেন্ট মডিউল তৈরি ও বাস্তবায়ন করা হয়েছে। কর্মীদের জন্য স্বাস্থ্যসেবা ব্যবস্থাপনা সিস্টেমও বাস্তবায়িত হয়েছে।
- অ্যালায়েন্স ফর কমব্যাটিং টিবি (ACTB) প্রকল্পের জন্য একটি সফটওয়্যার তৈরি ও বাস্তবায়ন করা হয়েছে।
- পিঙ্ক স্টার (আই-প্ল্যান্ট এবং রিল্যাক্স) প্রকল্পের ওয়েবসাইটটি পুনরায় ডিজাইন ও আপডেট করা হয়েছে।
- আইসিটি বিভাগ সকল অপারেশনাল বিষয়ে নির্দেশিকা প্রস্তুত করেছে যাতে একটি স্ট্যান্ডার্ড অপারেটিং পদ্ধতি হিসেবে সকল কার্যক্রম সঠিকভাবে পরিচালনা করা যায়।



- আইসিটি পলিসি ম্যানুয়াল-এর উপর এসএমসি এবং এসএমসি ইএল-এর প্রায় ৫৫০ জন কর্মচারীকে প্রশিক্ষণ প্রদান করা হয়েছে।
- প্রধান কার্যালয়, ভালুকা ফ্যাক্টরি, কুষ্টিয়ার ভাড়াকৃত ওয়ারহাউসজ, বগুড়ার ভাড়াকৃত ওয়ারহাউসজ এবং হেলথ এন্ড হাইজিন ফ্যাক্টরির জন্য অত্যাধুনিক নজরদারি ক্যামেরা স্থাপন করা হয়েছে।
- কর্মীদের জন্য স্বাস্থ্যসেবা ব্যবস্থাপনা সিস্টেম বাস্তবায়িত হয়েছে।

## ২০২২-২৩ এর পরিকল্পনা

এসএমসি ধারাবাহিকভাবে জনস্বাস্থ্য পণ্য ও সেবার সামাজিক বিপণনের মাধ্যমে নারী, শিশু তথা পরিবারের স্বাস্থ্য ও সুস্থতার উন্নয়নে অবদান রেখে চলেছে। প্রতিকূল পরিস্থিতি ও চ্যালেঞ্জ সত্ত্বেও, এসএমসি তার দূরদৃষ্টি ও লক্ষ্যের সাথে সামঞ্জস্য রেখে বিভিন্ন উদ্ভাবনী কর্মসূচি বাস্তবায়নের মাধ্যমে জনস্বাস্থ্যমূলক কাজগুলোকে প্রসারিত করার ক্ষেত্রে সর্বদা গুরুত্বারোপ করে আসছে। বর্তমান প্রোগ্রাম কর্মকাণ্ডগুলো আরও সাফল্যের সহিত এবং কার্যকরভাবে পরিচালনা করতে ২০২২-২৩ অর্থবছরে নিম্নলিখিত উদ্যোগ ও পরিকল্পনাসমূহ অন্তর্ভুক্ত করার বিষয়ে বিশেষ জোর দেয়া হবে:

- এসএমসি'র নিজস্ব অর্থায়নে বিদ্যমান ২৮টি উপজেলা ছাড়াও আরও নতুন ৮টি উপজেলায় কমিউনিটি মোবাইলাইজেশন কার্যক্রম সম্প্রসারণ করা হবে। এছাড়াও, ইউএসএআইডি তহবিলের আওতায় আরও ৩টি নতুন উপজেলায় কমিউনিটি মোবাইলাইজেশন কার্যক্রম সম্প্রসারিত করা হবে।
- গোল্ড স্টার মডেলটি ঢাকা, চট্টগ্রাম, বরিশাল ও সিলেট সিটি কর্পোরেশনের আওতাভুক্ত শহর অঞ্চলগুলোতে সম্প্রসারণ করা হবে।
- প্রায় 1,500 জন ব্লু-স্টার, ৭৫০ জন গ্রীন স্টার, ৬০ জন পিঙ্ক স্টার, ৭৫ জন রোজ স্টার এবং ৪১১ জন গোল্ড স্টার সদস্য নিয়োগের মাধ্যমে স্টার নেটওয়ার্ককে সম্প্রসারিত করা হবে।
- স্টার নেটওয়ার্ক প্রোভাইডারদের সার্ভিস প্যাকেজ সম্প্রসারণ।
- বিভিন্ন বিষয়ে বিশেষজ্ঞ চিকিৎসক নিয়োগের মাধ্যমে ক্লিনিক সেবার পরিধি বৃদ্ধি।
- মাদক এবং ধূমপান বিরোধী প্রচারাভিযান শুরু করা।
- প্রবীণ জনগোষ্ঠীর স্বাস্থ্য সুরক্ষায় একটি পুষ্টি পণ্য তৈরি ও বাজারজাত করা।
- স্বল্প আয়ের শহরগুলোতে দীর্ঘমেয়াদি এবং স্থায়ী পদ্ধতির (LAPM) প্রচারাভিযান জোরদার করা।

## কৃতজ্ঞতা জ্ঞাপন

কোম্পানির পরিচালনা পর্ষদ প্রতিকূল পরিস্থিতিতেও উল্লেখযোগ্য প্রবৃদ্ধি অর্জনে ম্যানেজমেন্ট এবং এসএমসি'র সকল কর্মীদের অবদান, কঠোর পরিশ্রম এবং প্রতিশ্রুতি গভীর কৃতজ্ঞতার সাথে স্বীকার করছে। এসএমসি'র অভীষ্ট লক্ষ্য ও সাফল্য অর্জনে কোম্পানির সদস্য, কর্মীবৃন্দ এবং অন্যান্য স্টেকহোল্ডারদের ক্রমাগত প্রতিশ্রুতি, আস্থা এবং সহযোগিতা প্রদানের জন্য ধন্যবাদ জ্ঞাপন করছি। আমাদের সকলকে যথেষ্ট সতর্কতা অবলম্বন করতে হবে, মাস্ক পরতে হবে এবং যতটা সম্ভব সামাজিক দূরত্ব বজায় রাখতে হবে। নিরাপদ থাকুন, সুস্থ থাকুন।

কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে,



ওয়ালিউল ইসলাম

চেয়ারম্যান, বোর্ড অব ডিরেক্টরস

সোশ্যাল মার্কেটিং কোম্পানি





# **SMC Program Activities**



## Key Highlights of Program Activities

SMC has been consistently contributing to improve the health and well-being of women, children and families through the social marketing of products and services. The primary focus of SMC includes family planning, maternal, child, adolescent health, nutrition, tuberculosis and other socially beneficial areas. SMC aims to utilize its brand value, brand loyalty, market positioning and reputation to create new partnerships with the private sector and collaboration with the Government of Bangladesh (GOB).

The Company established five Star networks by engaging private sector graduate and non-graduate health providers. Star network providers of SMC (BSP, GSP, PSP and RSP)\* are offering public health products, messages and services in the community across the country. These Star network providers are spread over the whole country.

Geographical coverage of program networks:

Program types / networks	Number of Districts covered	Number of Upazilas covered	Number of members
Blue Star	64	492	9,406
Green Star	64	492	4,406
Pink Star	55	-	500
Rose Star	4	-	77
Gold Star-Rural	25	93	2,773
Gold Star-Urban	2	3 areas	45

\* BSP: Blue Star Provider, GSP: Green Star Provider, PSP: Pink Star Provider, RSP: Rose Star Provider

SMC has a strong sales and distribution network across the country and successfully distributed its products to 157,834 pharmacies and 558,330 non-pharmacies in FY 2021-22.

The Company has four core competencies to implement programs which include capacity building of the private sector health care providers, behavior change communication, community mobilization and women entrepreneur development.

Key highlights of the annual performance during the reporting period FY 2021-22 were:

- Program Operation of SMC is distributing 12 public health products across the country. SMC adopted a variety of marketing strategies to create demand for program products. During the reporting period, SMC sold 4,573,402 vials of injectables, 40,355,245 sachets of MoniMix, 6,692,660 pieces of Vermicid and 62,848 packets of Safe Delivery Kit.
- In July 2021, SMC introduced FullCare - a multiple micronutrient supplements (MMS) for pregnant women to improve the nutritional status among pregnant women and reduce low birth weight (LBW) babies. SMC sold 1,317,522 blisters of FullCare during this period.
- SMC expanded Gold Star Program to 8 new rural Upazilas and 2 urban areas under Dhaka and Chattogram City Corporation.



- SMC conducted extensive community-level campaigns in order to raise awareness and change behavior towards healthy practices through courtyard meetings, interpersonal communication and school health sessions. A total of 666,413 Married Women of Reproductive Age (MWRA) attended the courtyard meetings and 357,710 adolescents attended health sessions during this period with specific adolescent health messages.
- A total of 2,818 Gold Star Members (women entrepreneurs) have been actively engaged in both rural and urban areas to disseminate health messages and sell public health products at doorsteps. During this period, they sold products worth Tk. 23 (twenty-three) crore. The sales revenue generated 35% more in the reporting year compared to the previous year.
- In FY 2021-22, SMC expanded its network providers with an expanded service package. The network members expanded by adding 1,049 Blue Star, 513 Green Star and 84 Pink Star providers through basic training. SMC also expanded Gold Star Member (GSM) by adding 230 this year. As a continuous process, SMC promoted these networks through comprehensive demand-creation activities using both local and mass media.
- SMC formed a new network namely Rose Star with Pediatricians to offer Growth Monitoring and Promotion (GMP) services for the under-five children. A total of 77 pediatricians and their assistants received basic training for inclusion in the new network.
- Blue Star providers increased from 8,667 to 9,406, Green Star providers from 4,271 to 4,406 and Pink Star providers from 455 to 500 during the reporting year.
- MMS project aims to reduce the burden of low birth weight by improving maternal and child nutrition. SMC in collaboration with the Obstetrical and Gynecological Society of Bangladesh (OGSB) trained 10,030 providers (BSP and GSP) on pregnancy care under this project. MMS project also oriented 2,442 GSMs and 180 PSPs about FullCare.
- Program Division has organized seven District level and twelve Upazila (Sub District) level Scientific Seminars with 656 Obstetricians and Gynecologists (OBGYNs) and Graduate Doctors to create demand and popularize the newly introduced FullCare.
- As a consortium member of USAID's Alliance for Combating Tuberculosis in Bangladesh (ACTB), SMC is working to fight against TB. The trained Star Network Providers of SMC identified 36,665 presumptive cases among the screened patients or clients during this period. Of them, 3,207 were diagnosed with TB cases and accordingly were under treatment.
- During the reporting year, Niltara Clinic has recovered 92% of its operating expenditure against the 73% target. Similarly, SMC Clinic at SMC tower-2 has recovered 35% of its operating expenditure against the 36% target in the reporting year. The total number of service recipients was 34,898 at both clinics during this period.

## Contribution of SMC to the National Health Program

SMC is an integral part of the national health and family planning program in achieving the goals and objectives of health and population programs in Bangladesh. Among the modern contraceptive users, 38% couples use SMC branded contraceptives<sup>1</sup>. According to DKT International, USA, SMC was ranked as the third-largest contraceptive social marketing organization globally in 2021 in terms of the numbers of CYPs delivered.

<sup>1</sup>Bangladesh Demographic and Health Survey 2017-2018



SMC Zinc has been introduced as an adjunct therapy to treat child diarrhea since 2008. According to the BDHS 2017-2018, 44% of children with diarrhea are treated with Zinc and ORS. SMC is leading the effort to increase the use of MoniMix (micronutrient powder) among children under-five years of age and experienced a four-fold increase in sales of MoniMix in the last ten years due to its extensive demand generation efforts. In adolescent and female health and hygiene, Joya sanitary napkin of SMC has quickly become the second highest selling brand (Nielsen study) in the country enjoying 22% of the market share. A study shows that about 79% of adolescent girls used sanitary napkin in Gold Star program areas of SMC while 60% of the adolescent girls used it during their last menstruation in non-program areas<sup>2</sup>. It also indicates the increasing trend of menstrual hygiene practices among adolescents. In Bangladesh, 67% of tuberculosis cases were detected in 2017 which was 50% in 2014<sup>3</sup>. Blue Star providers are contributing in screening suspected TB cases and referring to the nearest service delivery center for diagnosis. BSPs referred a total of 231,058 suspected TB cases to the designated health facilities for TB testing in FY 2021-22.

## Program Activities by Components

The goal of program activities is to contribute to the sustainable improvements in the health status of women, children, and families by increasing access to and demand for essential public health products and services using social marketing tools and concepts through the private sector. SMC has been focusing on family planning, maternal and child health, adolescent health, nutrition, and tuberculosis through different program interventions.

The program implementation modalities of SMC include the distribution of public health products, demand creation through behavior change communication for increased adoption of healthy behaviors and practices, and building capacity of private-sector graduate and non-graduate medical service providers.

## Product Portfolio of Program Division

SMC is marketing public health products to create demand in the market considering its health impact. Currently, the program operation is distributing twelve public health products across the country. Among the products, four are donated by USAID (SOMA-JECT, Sayana PRESS, Relax, and i-plant) and FullCare is procured using the fund of CIFF (Children Investment Fund Foundation) while others are procured using SMC fund. SMC creates demand and sells family planning, maternal and child health, and nutrition products. SMC adopted a variety of marketing strategies such as advertisement and promotional activities using electronic, print, outdoor, and below-the-line approaches with a special focus on digital and social media to create demand for program products. During the reporting period, all program products have registered admirable achievements.

SMC is a key stakeholder in strengthening the family planning program of Bangladesh since its inception. During this reporting period, SMC distributed 4.5 million vials of injectable contraceptives through its Star networks (Blue Star, Green Star, and Pink Star) and NGO providers resulting 19% higher sales volume than that of the last year. SMC is the only private source offering Long-acting Reversible Contraceptives (LARC) in the country through Pink Star providers. The following table shows the sales achievement of donated contraceptives during the reporting period.

<sup>2</sup>Assessment of Adolescent Program Activities 2022 conducted by Somra MBL Ltd

<sup>3</sup>TB Prevalence Report 2017



Sales achievement of donated contraceptives from July 2021 to June 2022:

Donated Products	Achievement in FY 2020-21	Sales Target in FY 2021-22	Achievement in FY 2021-22	Achievement against target (%)	Growth against the last year achievement (%)
SOMA-JECT Injectable (vials)	3,769,190	4,100,445	4,474,770	109	19
Sayana PRESS Injectable (vials)	90,811	100,879	98,632	98	9
Relax IUD (pieces)	7,180	7,786	8,073	104	12
i-plant Implant (sets)	3,618	3,972	4,181	105	16
Couple-Years of Protection (CYP) <sup>4</sup>	1,011,777	1,101,240	1,196,374	109	18

In Bangladesh, malnutrition is significantly high among children and adolescent girls. Deficiencies of micronutrients increase the risk of infectious diseases among children. The effects of micronutrient deficiencies in childhood may result in long-term or even life-long irreversible physical and cognitive problems that lead to reduced educational outcomes, reduced productivity, increased risk of infection, and poor health outcomes. Along with MoniMix, to address Iron Deficiency Anemia (IDA) of children under five years, SMC has successfully introduced two new nutritional products in its product portfolio. One is MoniMix Plus - a micronutrient powder (MNP) for adolescents aged between 5 to 12 years for their nutritional needs and proper growth and the other one is FullCare - a multiple micronutrient supplements (MMS) to improve the nutritional status of pregnant women and reduce low birth weight (LBW) babies. SMC also marketing Zinc tablets since 2008 as an adjunct therapy to treat child diarrhea with ORS. The de-worming tablet 'Vermicid' has been introduced to reduce soil-transmitted helminth infections. Easy Clean is promoted to increase hand washing practice among school-going students and adolescents. The sale of Easy Clean was quite higher due to implementing a special campaign to increase the hand wash practice during this period.

Sales status of nutrition products of SMC from July 2021 to June 2022:

Products	Achievement in FY 2020-21	Sales Target in FY 2021-22	Achievement in FY 2021-22	Achievement against target (%)	Growth against the last year achievement (%)
MoniMix- MNP (sachets)	31,824,960	35,672,993	35,991,595	101	13
MoniMix Plus-MNP (sachets)	1,114,080	4,000,000	4,363,650	109	292
FullCare-MMS (blisters)	-	500,000	1,317,522	264	N/A
SMC Zinc tablet (blisters)	741,041	800,364	808,641	101	9
Vermicid tablet - anthelmintic (pieces)	5,965,600	6,468,000	6,692,660	103	12
Easy Clean- paper soap (packets)	51,080	58,667	79,740	136	56

MoniMix Plus-MNP was introduced in April 2021, FullCare was introduced in July 2021

<sup>4</sup>CYP: One CYP is calculated as 15 cycles of OCP or 120 pieces of condoms or 4 vials of injectable or 20 doses of ECP. For 10 years IUD, one insertion is calculated as 4.6 CYPs and for 5 years Implant, one insertion is calculated as 3.8 CYPs. This CYP indicator is used by USAID, UNFPA and other international organizations.



SMC Program Division also markets Safe Delivery Kit (SDK) and Pregnancy Test Device (PTD) under the brand name Safety Kit and Quick Test. Institutional delivery is increasing over time, still 50% of delivery takes place at home. SMC promotes institutional delivery and markets SDK to ensure clean delivery at home to reduce maternal and child mortality rates in the country. Gold Star Members sell Pregnancy Test Devices in the community to identify pregnancy and motivate them to visit health facilities to receive antenatal care services. The following table shows the sales achievement of Safety Kit and Quick Test against its annual target.

Sales achievement of maternal and reproductive health products during July 2021 to June 2022:

Products	Achievement in FY 2020-21	Sales Target in FY 2021-22	Achievement in FY 2021-22	Achievement against target (%)	Growth against the last year achievement (%)
Safety Kit –Safe Delivery kit (packets)	59,785	67,192	62,848	94	11
Quick Test- Pregnancy Test Device (pieces)	85,750	99,313	104,621	105	22

## Community Mobilization Activities

SMC is implementing the Community Mobilization program in 93 upazilas of 25 districts to improve the healthy behaviors of the community people. The implementing partners of SMC are conducting extensive community-level campaigns to raise awareness and change behaviors toward healthy practices through courtyard meetings, interpersonal communication and school health sessions.

The program is targeting to increase the demand for public health products and services relating to family planning, child health, nutrition, maternal health, adolescent health, and hygiene issues. The target audiences are married women of reproductive age (MWRA), caregivers of under-five children, adolescents, newlyweds, and community influentials. SMC reached a total of 1,029,539 individuals during FY 2021-22 by delivering health messages through group sessions, interpersonal communications (IPC), adolescent health sessions and meetings.

Along with rural areas, SMC initiated to implement Gold Star model in the urban setting to meet the demand of the low-income urban population. The urban model is also aimed to increase awareness and accessibility of public health products in peri-urban areas. This is providing opportunity to the urban women to become entrepreneurs/Gold Star Members as well. SMC has planned to expand this initiative every year by utilizing donor and own resources.

Implementing partners organize courtyard meetings with married women of reproductive age (MWRA) and caregivers of under-five children. The field staff disseminates health messages using audio player and flip chart. The event focuses on Healthy Timing and Spacing of Pregnancy (HTSP), the first 1,000 days of care which includes pregnancy care, safe delivery, childbirth, postnatal care, exclusive breastfeeding, micronutrient powder for under-five children and adolescents, use of ORS and Zinc to treat childhood diarrhea, and multiple micronutrient supplements for pregnant women. During this period, implementing partners reached 666,413 MWRAs with health messages.

The adolescent health program is one of the important initiatives of the community mobilization program for increasing knowledge on different adolescent health issues. These sessions are conducted both at the



educational institutes (schools, colleges and madrasas) and community level. Under this activity, the implementing partners also work closely with the Management Committees of the educational institutes to get their support for implementing Adolescent Health Program activities. The major focuses of adolescent health sessions are legal age at marriage, early pregnancy, hygiene practices, puberty, menstrual management, hand washing, use of sanitary napkins, nutrition, drug abuse, gender-based violence and eve-teasing. A total of 131,168 adolescents attended the health sessions during this period.

Until recently, huge numbers of adolescents were out of reach despite ongoing adolescent health programs. Moreover, educational institutions were closed for almost two years due to the COVID-19 pandemic. Therefore, SMC conducted a special adolescent health campaign in 2022 to reach more adolescents. This special campaign provided opportunities to adolescents regarding easy access to quality and comprehensive adolescent health messages and services. The campaign reinforced the existing adolescent health program of SMC by disseminating messages on Healthy Timing and Spacing of Pregnancy (HTSP), the First 1000 Days Care, adolescents' health, Gender-based Violence (GBV) and prevention and management of TB by using a flipchart. The duration of the campaign has been planned for four months from May to August 2022. The campaign reached a total of 226,542 adolescents with adolescent boys and girls during May – June 2022. Finally, a total of 357,710 adolescents attended in the existing and the additional adolescent health campaign during this period.

Implementing partners disseminate health information among 5,416 newlyweds on family planning with a special focus on delaying the first pregnancy, HTSP, knowledge on the emergency contraceptive pill (ECP), and menstrual hygiene management. They also organized advocacy meetings with 4,471 community influentials to sensitize and seek their support for implementing community mobilization activities.

## Gold Star Network

SMC is implementing the community mobilization program in 93 upazilas of 25 districts of Bangladesh through four partner NGOs. Of these, 65 upazilas are funded by USAID and 28 by SMC. One of the key components of the community mobilization program is to create women entrepreneurs. These women, branded as Gold Star Member (GSM), are selected through a competitive process by using a set of standard criteria to sustain their efforts. This network has been established to create demand in the community for essential public health products by delivering necessary health messages as well as to earn money by selling products to households. The health messages cover healthy timing and spacing of pregnancy, first 1000 days of care, adolescent health, nutrition, health and hygiene, etc.



They also refer potential clients for long-acting and permanent methods (LAPMs) and suspected TB patients to the nearest service delivery facilities and sell SMC public health products at household levels. During this time, a total of 2,818 GSMs have been actively engaged in both rural and urban areas and conducted different activities to adopt healthy behaviors in the program areas. They sold products worth Tk. 230 (two hundred thirty) million. The sales revenue generated by the GSMs in the reporting year was 35% higher than that of the previous year.



## Expansion of Gold Star Members and average annual sales revenue generated by GSMs:

Fiscal Year	GSM number	Total Sales revenue generated by GSMs (million taka)	Average annual sales revenue generated by a GSM (in taka)
FY 2016-17	1,558	62.47	40,096
FY 2017-18	2,283	67.86	29,724
FY 2018-19	2,217	94.91	42,810
FY 2019-20	2,405	125.29	52,096
FY 2020-21	2,525	170.26	67,430
FY 2021-22	2,818	229.95	81,600

An analysis shows that the sales of different public health products are reasonably higher in 93 Gold Star upazilas compared to the adjunct 93 upazilas due to the activities of GSMs. For example, the sales of condom, pill, MNP, Zinc, SDK, and Sanitary Napkin is 10%, 23%, 153%, 558%, 280%, and 20% higher respectively in Gold Star upazilas compared to non-Gold Star upazilas.

This program is also contributing to women's empowerment and self-reliance. A total of 170 GSMs participated in the union Parishad election and of them, 58 were elected as union parishad members.

## Blue Star Network

It is a network of non-graduate medical practitioners (NGMPs) offering family planning injectable services, growth monitoring and promotion (GMP) to children, nutrition counseling, and other public health priority services at the community level. The vision of the Blue Star program is to build the capacity of private sector community-level non-graduate healthcare service providers. The program has now become one of the largest health networks in the country. SMC continues its efforts to promote Blue Star outlets and the network through comprehensive demand-creation activities by using both local and mass media.



In addition, SMC conducts regular supervision and monitoring to provide need-based on-site technical assistance.

### Contribution of BSPs

- 33% national contribution in injectable CPR (BDHS 2017-18)
- 213,058 suspected TB cases referred
- 186,363 eligible clients referred for long-acting and permanent contraceptive methods
- 44,855 under 5 children received GMP services
- 19,651,170 sachets of Micronutrient powder distributed
- 250,073 blisters of Zinc tablets sold
- 3,770,550 Vermicid tablets sold

SMC expanded the Blue Star Providers by providing basic training to 1,049 NGMPs in FY 2021-2022. Besides, 2,072 existing providers received refresher training. SMC provided training and GMP equipment for the smooth implementation of the services. Currently around 3,700 BSPs are offering GMP services to under-five children in their community. The providers refer suspected TB cases, potential long-acting and permanent method clients and severely sick children to the nearest service delivery center. The total number of BSPs increased from 8,667 in FY 2020-2021 to 9,406 in FY 2021-2022.



SMC conducted 21 Experience Sharing and Performance Review Meetings with the BSPs in different areas to share their experiences and best practices and gather opinions from them to improve program performances. SMC recognized 193 good performers by distributing crests for their contribution and outstanding efforts in FY 2020-21. The meetings were more instrumental in mutual learning and increasing the motivation of BSPs which led to improve overall program performance in the future.

## Pink Star Network

Pink Star is a network of Obstetricians & Gynecologists (OBGYNs) to increase accessibility, availability and utilization of long-acting reversible contraceptive (LARC) services in the private sector. SMC provides competency-based training to the OBGYNs for becoming Pink Star Providers (PSPs). PSPs offer SMC branded intrauterine device (IUD), implant and injectable services. SMC organizes comprehensive promotional campaigns to promote the Pink Star outlets as a source of LARC services. SMC continues quality-focused technical support and assists the PSPs to offer quality services. The support includes follow-up training sessions, on-site coaching and clinical practice until the providers become confident to offer LARC services.



A total of 84 providers have received basic training on LARC during the reporting period. The total number of PSPs increased from 455 in FY 2020-2021 to 500 in FY 2021-2022. SMC engaged Community Counselors to disseminate necessary information and dispel misperceptions related to LARC among the potential clients and refer them to the nearest Pink Star outlet. They also generate demand at the community level for LARC services and counsel pregnant mothers about postpartum family planning methods. During the reporting period, SMC distributed 12,254 LARC methods (8,073 IUDs and 4,181 implants) to the PSPs. SMC organizes periodical performance review meetings with the providers to share their performance on LARC administration, best practices and way forward to increase the use of LARC by them. This year, SMC organized five experience sharing meetings with 180 OBGYNs.

## Green Star Network

A network of more than 4,000 pharmacy and public health product sellers who offer follow-up injectables and nutrition counseling sessions are known as Green Star Providers (GSPs). They play a vital role in healthcare service delivery, especially in the rural areas in Bangladesh. They are the primary contact point in the community and provide over-the-counter health and family planning information and services. SMC provides periodic training, promotional support, and need-based technical assistance to the GSPs. SMC conducts regular supervision and monitoring to strengthen the capacity of the network providers. In FY 2021-22, SMC provided basic training to 513 pharmacy salesmen to bring them under the Green Star Network across the country. A total of 2,039 GSPs also received refresher training during this period. The major focuses of the training include: administering follow-up doses of contraceptive injectables, counseling on MNP, rational use of drugs, referring suspected TB cases to the appropriate health facility, etc. The total number of GSPs increased from 4,271 in FY 2020-2021 to 4,406 in FY 2021-2022. SMC supports GSPs with different materials including signboards, stickers and posters, infection prevention/waste disposal items and essential product details for branding and promoting the Green Star service delivery points.





SMC organized Experience Sharing and Performance Review Meetings with GSPs to update activities, progress and contribution of SMC to the national program. The good performers were recognized for their outstanding efforts and performances. The platform provided opportunities to share their experiences, best practices, and gather opinions from them to improve program performances in the future. During the reporting period, eight 'Experience Sharing and Performance Review' meetings were held with the GSPs where 1,748 providers attended the meeting from different districts. In this meeting, SMC recognized a total of 57 GSPs for their outstanding performances in the FY 2020-21.

## Rose Star Network

SMC formed a new network with Pediatricians branded as Rose Star to offer Growth Monitoring and Promotion (GMP) services for the under five years children. The aim of this initiative is to improve the nutritional status of the under five years children through GMP services in the private sector. SMC organized five orientation and training programs for Pediatricians and their assistants on GMP services under the Rose Star program at Rajshahi, Khulna, Bogura, Sylhet and Barishal during this reporting period. A total of 77 Pediatricians and their assistants attended the events. SMC has taken several initiatives to promote their outlets and generate demand for services at the community level.



## Capacity Building Efforts for Star Providers

Four regional-based training teams continued its capacity development efforts to enhance the skill and knowledge of the network providers. The teams are mostly engaged to organize all basic and refresher trainings. The teams are also involved to carry out other activities such as follow-up the providers to assess service quality and offer on-site coaching to the Star providers. The following table shows the number of trainings organized by the number of participants and the training categories during the reporting period.

Capacity development status during July 2021-June 2022:

Training categories	# of Training events	# of Participants
Blue Star Basic	49	1,049
Blue Star Refresher	87	2,072
Green Star Basic	24	513
Green Star Refresher	91	2,039
Pink Star Basic	12	84
Pink Star Refresher	11	60
Pink Star Doctor's Assistant	4	61
Rose Star Basic	5	77

## Telephone Counseling Service 'Tele-Jiggasha'

Tele-Jiggasha, located at SMC Head Office, is being operated by a short code number (16387). This unit is open to all from 9:00 am to 4:00 pm during weekdays (Sunday to Thursday). The team responds to queries of consumers on family planning, child health, nutrition, and other public health products and services. The Tele counselors attended 6,306 phone calls during the reporting period where 34% of the callers were female.



The team sends text messages to create awareness of products and services among customers and disseminate technical information on health-related issues among providers. They follow up with TB clients referred by BSPs for dose compliance and pregnant mothers for FullCare dose compliance. During the reporting period, the team conducted five (5) surveys in terms of collecting feedback, assessing satisfaction from the consumers and providers etc. SMC promotes the short code number (16387) through different channels to attract potential consumers for their queries on different health issues.

## Clinic Operations of SMC

SMC started Clinic operations to provide quality healthcare services to all at affordable prices. The Clinic offers consultation services, quality diagnostic services and medicine from its model pharmacy at reasonable and discounted prices. Currently, SMC is operating two Clinics located at Dhaka Uddan, Mohammedpur (Niltara Clinic) and Darussalam, Mirpur (SMC Clinic).



The SMC Niltara Clinic started its journey in April 2018 and has recovered 92% of its operating expenses in the reporting year. On the other hand, SMC Clinic initiated in June 2021 has recovered 35% of its operating expenses in the reporting year. The performances of both Clinics have presented below:

Clinic performances of both during July 2021 to June 2022:

Indicators	Niltara Clinic	SMC Clinic
Number of total service recipients	22,036	12,862
General services	5,863	2,828
Specialist services	7,228	5,678
Laboratory services	8,944	4,356

The Clinic staff continued BCC activities to promote Clinic facilities along with creating awareness of Dengue and COVID-19 in the community. Both the Clinics with its laboratory and pharmacy operations have ISO 9001-2015 certification from the General Society of Surveillance (SGS) for providing standard quality services.

## Multiple Micronutrient Supplements (MMS) Project

Poor dietary diversity and micronutrient deficiency are the leading cause of maternal malnutrition in Bangladesh. These deficiencies can negatively impact the health of the mother, her pregnancy, as well as the health of the newborn baby which includes being born with Low Birth Weight (LBW). Multiple Micronutrient Supplements (MMS) is an effective, affordable, and safe evidence-based intervention that supports the nutrition, health and well-being of women and fetuses.

Children Investment Fund Foundation (CIFF) engaged SMC through Global Alliance for Improved Nutrition (GAIN) to set up a sustainable business model of MMS in the private sector. The MMS project aims to reduce the burden of LBW by improving maternal and child nutrition. The aim of this project is to demonstrate a social business model where MMS will be accessible and available for pregnant women with assured quality and affordable price. SMC is implementing capacity-building activities for its Star Network providers, OBGYN,



graduate doctors and other relevant government and non-government health providers. In addition, several BCC activities are performed to make MMS 'FullCare' more popular and increase its utilization. The following are the major activities conducted during the reporting period:

- Sold 1.3 million blisters of FullCare which shows 71% in rural and 29% in urban areas.
- SMC, in collaboration with OGSB, provided basic training to 10,041 Star Network providers on pregnancy care and MMS/FullCare. A total of 2,315 GSMs also received training who are attached to the community mobilization program.
- SMC organized seven (7) district-level scientific seminars on FullCare with the OBGYNs/graduate doctors where 357 OBGYNs/graduate doctors attended.
- As demand generation activities, SMC organized 89 courtyard sessions with 1,299 pregnant women in the community focusing on the importance of health check-ups during pregnancy, nutrition and postnatal care.
- SMC organized 30 TV talk shows on pregnancy care and the importance of MMS to reduce low-birth-weight babies.
- Tele-jiggasha team followed up with registered/listed pregnant mothers on FullCare dose compliance and ANC services. The team also sent weekly basis text messages to those pregnant women regarding pregnancy care and the importance of using FullCare.

## **USAID's Alliance for Combating Tuberculosis in Bangladesh**

Bangladesh is one of the highest tuberculosis (TB) burden countries in the world. Even though the country has made remarkable progress over the past few years, significant efforts are essential to end the TB epidemic by 2035<sup>5</sup>. Evidence shows that about one-third of TB cases seek care late or never in Bangladesh, community-based case-finding activities are limited, contact investigation is inadequate and TB service delivery is relatively poor in urban areas. Furthermore, the engagement of the private sector in the TB program is inadequate and not fully utilized.

USAID's Alliance for Combating Tuberculosis in Bangladesh (ACTB) is a consortium of five organizations to fight against TB. As an alliance member, SMC is implementing this project activity in 23 districts across the country. SMC is contributing to achieving two major objectives – i) engage informal private providers (Blue Star and Green Star) to increase symptom screening of presumptive cases and develop a mechanism to follow-up referral cases for treatment compliance, and ii) involve community-level women entrepreneurs for screening and referral of presumptive cases.

The field activity started in March 2021. During the reporting period, SMC provided basic training to 2,542 Star network providers (BSPs and GSPs & GSMs) on TB. Trained Star network providers of SMC identified 36,665 presumptive cases among the screened patients. All the presumptive cases were referred accordingly to the National TB Control Program (NTP) designated GeneXpert sites. From the presumptive cases, 3,207 were diagnosed as TB patients. All the diagnosed cases were under treatment accordingly.

## **Monitoring and Evaluation (M&E)**

SMC has a Monitoring and Evaluation (M&E) team both at the head office and field office levels. Team members are responsible for monitoring regular activities to initiate corrective measures if needed. The M&E

<sup>5</sup>The goal of National TB Control Program (NTP) is to end the TB epidemic aiming to achieve a target of ten new cases/100,000/year in 2035 ([ntp.gov.bd](http://ntp.gov.bd)).



team is also responsible for the development and execution of the Project Performance Monitoring Plan. They ensure compliance with policies and guidelines, maintenance of quality, improved validity and accuracy of reporting. SMC is implementing its monitoring activities through physical visits by using different checklists, using mobile apps, mobile call through Tele-jiggasha and surveys.

### **Data Quality Assessment (DQA)**

SMC ensured routine data quality audit and compliance following the US government policies on family planning and other services. SMC officials from the head office and field offices visited Community Mobilization upazilas to conduct DQAs of different indicators during the period. The team visited villages, households, and educational institutions to ensure the consistency, reliability and validity of the data collected from the upazila offices of implementing partners. The relevant staff utilized DQA findings to take appropriate measures for improving the performances and the quality of data.





# **Research Insights**

## **SMC**



During FY 2021-22, Research & Monitoring department of SMC has undertaken several studies to understand the effects of its program activities. The major research activities have been summarized below:

**Study title:** Assessment of SMC funded Gold Star Member (GSM) activities

**Objectives of the study:** The main objective of the study was to assess the strength, weakness, opportunity and threat of SMC funded Gold Star Program. The study also aimed to understand how GSMs are performing in creating demand for public health products and what changes or opportunities remain that need to be addressed to create a sustainable GSM model.

**Sample size:** 250 GSMs and 1,700 Married Woman of Reproductive Age (MWRA).

**Key findings from GSM interview:**

- Majority of the GSMs know that MoniMix increases the appetite of the children (80%), it provides necessary nutrients to children (72%), decreases iron deficiency (68%) and helps in child's mental development (66%).
- More than nine out of ten GSMs (95%) were aware of the emergency contraceptive pill as a way to prevent unwanted pregnancy.
- Majority of GSMs (80%) know about the regimen of Zinc with ORS for the treatment of childhood diarrhea.
- GSMs mentioned that they were financially benefited after becoming GSMs. Moreover, they also mentioned that after affiliation with GSM program, their savings, social value and their importance in decision-making at their family level have increased.

**Key findings from MWRA interview:**

- The awareness of MWRAs associated with pregnancy before 20 years was higher in experimental areas than in control areas. For example, 60% of MWRAs in experimental areas reported convulsion/ eclampsia as early pregnancy complications compared to 42% in control areas.
- Similarly risks associated with pregnancy after 35 years were higher in experimental areas than in control areas. For example, convulsion/ eclampsia was reported by 46% of MWRAs in experimental areas compared to 27% in control areas.
- Majority of MWRAs were aware of MoniMix (82%) in the experimental area compared to the control area (45%).

**Study title:** Availability study of SMC and its competitor products

**Objectives of the study:** The availability study is a tracking tool for SMC to see the product availability and penetration status of SMC as well as the competitor products, which helps Marketing, Sales and Program teams to find out the areas of improvement to intensify the sales coverage and product distribution. The objective of this study was to examine the product availability and penetration status of SMC as well as the competitor products.



**Sample size:** 12,000 outlets (4,800 pharma outlets & 7,200 non-pharma outlets).

**Key findings:**

- Femicon was found as the most available OCP brand (98%) followed by Femipil (93%). Among the ECP brands, the availability of Norix 1 was higher (61.5%) compared to Norix (37%) in pharma outlets.
- Panther Dotted was found as the most available Condom brand both in pharma (92%) and non-pharma (30%) outlets.
- ORSaline-N was found in 98% of pharma and 90% of non-pharma outlets.
- MoniMix was found available in 50% of pharma outlets followed by Pustikona (11%).
- SMC Zinc was found available in 38% of pharma outlets followed by Baby Zinc (31%).
- At least one SMC sanitary napkin brand was available in 91% of pharma and 43% of non-pharma outlets. Joya Belt (8 pieces) was as the most available sanitary napkin brand both in pharma (88%) and non-pharma (42%) outlets.

**Study title:** Post-campaign evaluation of TVC & Pop-up of SOMA-JECT injectables

**Objectives of the study:** To increase the awareness & demand of SOMA-JECT Injectables, SMC went for a mass media communication (TVC & Pop-up) on six private TV channels. The main objective of the study was to examine the acceptability and effects of the TVC & Pop-up campaign on SOMA-JECT among Married Women of Reproductive Ages (MWRAs) who have at least one living child.

**Sample size:** 805 MWRAs and 203 Blue Star Providers (BSPs).

**Key findings:**

- About 19% of MWRAs and 39% of BSPs have seen the TVC on SOMA-JECT and most of them watched the TVC on Somoy TV followed by RTV.
- Among the respondents, who have seen the TVC,
  - 67% could recall the key messages of the TVC.
  - 73% liked the TVC very much.
  - 61% of MWRAs could recognize that SOMA-JECT is marketed by SMC.
  - 68% perceived that MWRAs will be interested to use SOMA-JECT, after watching the TVC.

**Study title:** Assessment of the effectiveness of courtyard sessions conducted by Community Mobilizers & Gold Star Members

**Objectives of the study:** The community mobilization program is one of the flagship interventions of SMC. SMC is currently conducting community sessions by the Community Mobilizers (CMs) in 78 upazilas and by the Gold Star Members (GSMs) in 15 upazilas. The purpose of this study was to assess the strength, weakness and opportunity of the courtyard sessions, conducted by GSMs and CMs and also to understand which model is more effective for disseminating information.

**Sample size:** 36 CMs, 33 GSMs and 1,542 MWRAs.



### Key findings:

- Study findings revealed that there were no statistical differences with respect to knowledge about early marriage, early pregnancy, late pregnancy and health risks associated with the mentioned topics between the CMs and GSMs.
- The percent change in knowledge before and after attending the session about specific problems related to marriage before the age of 18 years was 42% points higher among participants who attended GSM-based sessions and 35% points higher among the participants who attended CM-based sessions.
- The percent change in knowledge before and after attending the session about the minimum number of visits for health check-ups during pregnancy was 34% points higher among participants who attended CM-based sessions and 27% points higher among the participants who attended GSM-based sessions.
- The percent change in knowledge before and after attending the session about the specific benefits of giving Micronutrient Powder (MNP) to children under 5 was 43% points higher among participants who attended CM-based sessions and 29% points higher among participants who attended GSM-based sessions.

### Study title: Effectiveness of 'Ma Shomabesh' conducted by Blue Star Providers

**Objectives of the study:** To increase awareness among the parents of under-five children some Blue Star Providers organized the Growth Monitoring and Promotion (GMP) campaign in their community with the assistance of SMC program personnel. During the campaign, the providers provided nutrition-related information and case-based counseling to improve the overall nutritional status of the under-five children. The name of this campaign is 'Ma Shomabesh'. The main objective of the study was to assess the effects of 'Ma Shomabesh'.

**Sample size:** 440 mothers who attended the sessions, 450 mothers who didn't attend the sessions and 58 Blue Star Providers (BSPs).

### Key findings:

- About 86% of mothers who attended 'Ma Shomabesh' perceive that measuring the height and weight of their children is beneficial for their children and about 43% mentioned that they had purchased MoniMix from 'Ma Shomabesh'.
- All participants of 'Ma Shomabesh' mentioned that they are benefitted by participating in 'Ma Shomabesh' as they learned about child's nutrition (83%), malnutrition (68%), pregnant mother care (5%) etc.
- Eight out of ten participants received growth monitoring and promotion cards from 'Ma Shomabesh' and about 68% showed it during the survey.
- About 93% of BSPs mentioned that their MoniMix sales has increased after 'Ma Shomabesh' and about 69% of providers are willing to conduct such program at least once a quarter.





# **Human Resource Management**

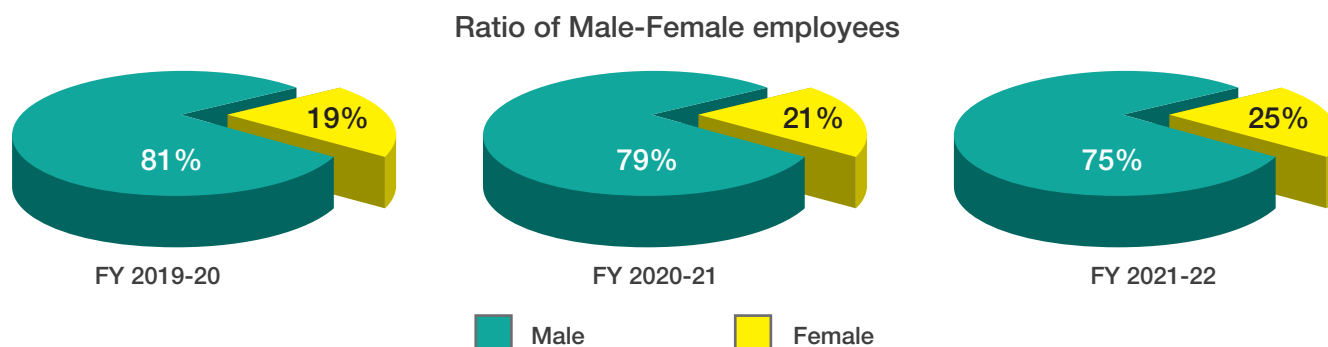
**SMC**



The Human Resource Division (HRD) of SMC continues to promote and nurture the culture of a safe, diverse and inclusive workplace with fairness and respect for all and ensures good governance across the Company. The function of human resources has been evolving significantly in the last couple of years. The hunt for talent has been increasing, and as a result, SMC is emphasizing human resources more prominently than before.

## Staffing and Workforce Planning

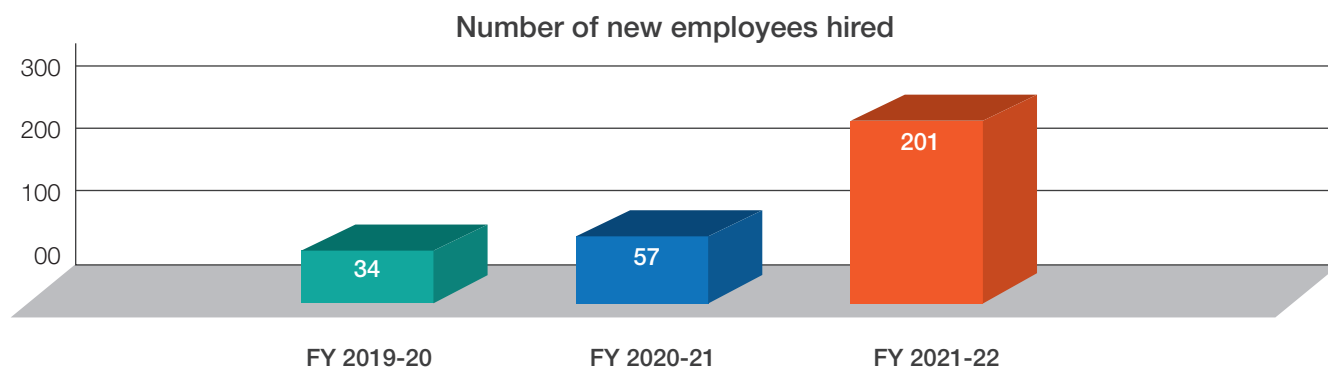
As on June 30, 2022, SMC had a total of 363 employees, of which 91 employees (25%) were female. Female employees have been increasing gradually, which conforms to the prime focus of the Management to engage more female employees in the workforce.



## New Hiring

The hunt for talent has been increasing, and as a consequence, SMC is emphasizing human resources significantly more than before. Nowadays, the workforce is diverse, dynamic and changing in a highly competitive business environment.

During the year, SMC onboarded 201 employees, and 98% were hired in contractual positions under the projects of SMC and Development Partners.



## Employee Development

In the process of continuous employee development, the HR Division plays a value-adding role by planning human resources programs and policies, including employee retention, relations, and safety of the employees. A skilled and professional human resource can improve morale and create a workplace environment that is of benefit to both employees and employers.



Considering the requirements of knowledge and skills development of the employees, during the year under review, SMC arranged various types of capacity development training programs, using the online platform, focusing on Tax and VAT, Digital Marketing, Supply Chain, Strategic Communication and Report Writing Skills, HSE & Fire Safety Management, Gender Equality and Inclusiveness, Business Management using Artificial Intelligence, and Bangladesh Labor Law and its industrial practices, amidst Covid 19 pandemic.

However, for FY 2022-23, a more comprehensive training plan has been developed for all types of employees that will be implemented using classroom and online formats as well, within the country and abroad.

## Performance Management

SMC evaluates employee performance annually so that the deserving employees could be rewarded accordingly and also to identify areas for improvement of the individual performance that supports in achieving the desired goals of the Company.

## Employee Engagement

Employee engagement is the degree to which employees invest their cognitive, emotional, and behavioral energies toward positive organizational outcomes. During the FY 2021-22 a unique **‘Health Care Scheme’** was implemented for the employees that will stimulate employee morale and in turn increase productivity. The Company initiated the presentation of a gift hamper to the parent of the newborn to increase their sense of belongingness towards the Company.

Two weeks of paternity leave have been introduced for the male employees to build a strong relationship with the newborn and share the responsibilities.

## Way Forward

Nowadays most organizations are utilizing new and diverse HR practices to enhance their growth trajectory. SMC intends to remain at par with the rest by adopting new policies and practices. The constant sequence of changes in HR practices has created a visible impact across the Corporate world and has proven to be a game changer for many successful organizations.

During that period, the HR Division formulated new policies, and procedures such as the Gender Policy and reviewed and updated the Administrative and Service Manual of the Company to make it align with contemporary practices and to accommodate the growing needs of the Company. It is a kind of living document which should grow and adapt to the growth of the Company.





# **Corporate Governance**



At SMC, we believe that good corporate governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Board also believes that a good corporate reputation is a valuable asset of a company. It is directly linked to uncompromising compliance with applicable laws, regulations and internal guidelines. Compliance is thus a central pillar of SMC, and at the same time corporate culture an integral part of all of its business processes. The Board of Directors ensures that the activities of the Company are always conducted following the highest ethical standards to the best interest of all stakeholders and also to the preservation of the environment. The Corporate Governance Philosophy of the Company is based on the following principles:

- Appropriate composition of the Board;
- Timely disclosure of material information (both financial and non-financial) to the Board, regulators, shareholders and other stakeholders;
- Robust systems and processes to ensure strong internal controls, financial controls and compliance with laws, rules and regulations; and
- Proper business conduct by the Board, committees, top management and employees.

## **The Board and its composition**

The Board of Directors is an effective intermediary between Member and the Management. Directors are elected or appointed by the Company Members at the Annual General Meeting (AGM) and they are accountable to Company Members. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the financial position, financial performance and ensure that its activities, accounts and asset management are subject to adequate monitoring and control and transparency in the overall decision-making process, thus enhancing the quality of our decisions. The Board also ensures that the Policies & Procedures and Code of Conduct of the Company are understood, implemented and maintained at all levels and the Company adheres to the generally accepted principles for good governance and effective control activities of Company.

In its subsidiary Company (SMC EL), SMC nominated six Directors and two Directors are the shareholders Directors having the qualifying share. The chairman of the Board of SMC by virtue of his position of the Chairman of its subsidiary Company.

The Board of Directors of the Company comprises nine members. Names and profiles, including the nature of expertise in specific functional areas of the Directors of the Company are indicated in the 'Directors' profile' of the Annual Report.

## **Audit Committee**

The Audit Committee of SMC, one of its prime joint Sub-committee of the Board provides assistance in ensuring the perpetuation of strong monitoring systems across the organization. The Audit Committee is accountable to the Board, and the duties and responsibilities of the Committee are clearly articulated in writing by the Board in the Terms of Reference (TOR). The Committee plays a key role in implementing good governance and best practices of financial reporting, risk management, budgetary control, assurance processes and the Statutory Audit for both holding (SMC) and subsidiary company (SMC EL).



The Audit Committee comprises the following Board members:

1.	Mr. Siddiquir Rahman Choudhury	Convener
2.	Mr. Muhammed Ali	Member
3.	Mr. Waliul Islam	Member
4.	Mr. Aftab ul Islam FCA	Member
5.	Mr. Muhammed Farhad Hussain FCA	Member

The Audit Committee held nine meetings during the period 2021-2022. The Managing Director & CEO, SMC; Managing Director, SMC EL; Chief Financial Officer (CFO), SMC; Chief Financial Officer (CFO), SMC EL; Head of Internal Audit and the Company Secretary were the permanent invitees to the Audit Committee meetings. Relevant heads of divisions, other members of the Management and the internal audit team also attended the meetings on occasions, as required.

Details about the Audit Committee, including major activities, composition, responsibilities, meetings, reporting and activities carried out by the Committee are disclosed in this annual report in the “Audit Committee Report”, signed by the Convener of the Committee.

## Management Committee (MANCOM)

The Management Committee is a consultative body consisting of Senior Management selected by the MD & CEO which assists the Managing Director & CEO in making important decisions for the Company, which have implications throughout the organization. The MD & CEO is the Convener and the CFO acts as a Secretary to the Committee. Currently the team comprises of the MD & CEO- SMC, Chief Engineer, Chief Financial Officer; GM, HR & Administration; Addl. GM, Program Operations and Company Secretary. The Divisional Heads/Chiefs share their agenda with the Secretary and the meeting is convened on the advice of the Convener.

The Management Committee of SMC EL headed by the Managing Director; DMD Operation; Chief Financial Officer; GM, Marketing; GM, HR & Admin; GM, Supply Chain Management; GM, Sales; Head of Sales & Marketing-Pharma; and Addl. GM, ICT.

## Operational Committee

At Operational level, in order to monitor and follow up the procurement related matters, the companies have separate procurement committee. Besides, there is an Investment committee chaired by MD & CEO for evaluating investment opportunities for optimum return and minimize risk. There is a common Committee which looks after the Employees Welfare and Children's education fund for both SMC & SMC EL.

## Monitoring Grants and its Compliance

Grants and Compliance department is supervising and monitoring the finance related activities of program department funded by donors and SMC. Regular independent audit being carried out with strict compliance in line with the guidelines for recipient contracted audits as required by USAID and other donors.



## Control Environment of SMC

In implementing and ensuring good governance in SMC and SMC EL, the Board and the Management Team ensure the following:

### Internal Control

The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, for safeguarding its assets, for prevention and detection of frauds and errors, for compliance with applicable legislations, for accuracy and completeness of accounting records, and for the timely preparation of reliable financial information. The system of internal control covers financial, operational and compliance controls and risk management procedures. The Board has approved an organogram ensuring clear lines of delegation of authority and reporting for accountability of the management and non-management staff all the way down to the line and for effective decision making. Evaluation of employee performance is being done by Performance Evaluation Review Committee (PERC) on the basis of clearly set measurable goals and through objective assessment of their achievements.

### Financial Reporting

SMC and its subsidiary SMC EL have strong financial reporting procedures. Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. These financial statements, once prepared, are reviewed initially by the CFO and the MD respectively and then by the Board Audit Committee. The annual audit is conducted by the external auditors, who are recommended by the Board of Directors followed by the Shareholders'/ Company Members adaptation in the Annual General Meeting.

In order to ensure data integrity and reliability, the company follows a robust MIS with a focus on establishing technology driven process coupled with high level of data security with a view to ensuring data accuracy and reliability.

### Statutory Audit

Statutory Auditing of the Company is governed by the Companies Act, 1994 and conducted in accordance with International Standards on Auditing (ISA). Independent Auditor conducted systematic examination of the books and records of the Company and ascertained, verified and reported upon the facts regarding the financial results and internal control systems of the Company. As per these regulations, auditors are appointed by members/ shareholders at the Annual General Meeting and also fix their remuneration thereof. Appropriate structure is in place as per Corporate Governance best practices to ensure their independence. Statutory auditors cannot be appointed for a consecutive period exceeding three years in compliance with the notification of Bangladesh Securities and Exchange Commission (BSEC) and as good practice.

The Board Audit Committee reviews the Financial Statements before submission to the Board of Directors for approval. Auditors also have access to the Board Audit Committee and the Board for communication on any issues.

### Internal Audit

At SMC and its subsidiary SMC EL consider internal audit is an important tool for ensuring alignment with best governance practices and compliances. Hence, the Company has an internal audit department headed



by the Head of Internal Audit has been conducting audit covering all areas of operation with a view to ensuring effective internal control within the organization in line with the internal audit charter and internal audit manual as approved by Board. Internal audit assists the Company in attaining its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management capabilities, controls and governance processes. It also assists the Audit Committee of the Board to perform their responsibilities efficiently and effectively.

In order to ensure organizational independence of Internal Audit, the Head of Internal Audit reports functionally to the convener of the Audit Committee of the Board and administratively to the MD & CEO, SMC. The annual audit plan is reviewed and approved by the 'Audit Committee' and the key findings of the audits are reviewed by audit committee at their periodic meetings.

## Corporate Socialization

The Company has been maintaining a good corporate relationship with various trade and professional bodies and continued its membership with the country's leading chambers like Metropolitan Chamber of Commerce & Industry (MCCI), Bangladesh Employers Federation, Dhaka Chamber of Commerce and Industry (DCCI), etc.

Besides, SMC and SMC EL have been maintaining effective communication and building excellent relationship with various regulatory bodies such as National Board of Revenue (NBR), Ministry of Commerce, Registrar of Joint Stock Companies and Firms (RJSC), Directorate General of Drug Administration (DGDA), Directorate General of Health Services (DGHS), Directorate General of Family Planning (DGFP), Bangladesh Investment Development Authority (BIDA), Chief Controller of Imports and Exports (CCI & E) and Bangladesh Standards and Testing Institute (BSTI).

## Annual General Meeting of SMC EL

SMC EL held its 7<sup>th</sup> Annual General Meeting (AGM) on March 27, 2022 by using digital platform. At the AGM members of the Company received, adopted and ratified the Directors' Report and the Auditors' Report for the Financial Year 2020-2021 and appointed auditors M/s. MABS & J Chartered Accountants for the Financial Year 2021-2022. Mr. Waliul Islam, Chairman of the Board of Directors of SMC EL, presided over the meeting. Board Directors, Managing Director of SMC EL along with senior members of the management of the company were present at the meeting. The 7th AGM of the company was held in compliance with the Companies Act 1994 where 35% dividend amounting to Tk. 13.65 crore (Thirteen crore sixty-five lac) was declared and disbursed subsequently from the profit of the company's seventh year of operations.



## Annual General Meeting of SMC

The Company held its 33<sup>rd</sup> Annual General Meeting (AGM) on March 28, 2022 at the Company head office in Dhaka. At the AGM members of the Company received, adopted and ratified the Directors' Report and the Auditor's Report for the Financial Year 2020-2021 and appointed auditors M/s. MABS & J





Chartered Accountants for the Financial Year 2021-2022. Mr. Waliul Islam, Chairman of the Board of Directors of SMC, presided over the meeting. Board Directors, MD & CEO of SMC along with senior officials of the Company were present in the meeting.

## **Conclusion**

The Board of Directors of the Company ensured compliance with the highest standards of governance and unwavering adherence to the requirements of the code of conduct. The Company also believes that Corporate Governance is a journey and not a destination and it needs to be continuously developed, nurtured and adapted to meet the varying needs of a modern business house as well as the justified aspirations of our valued investors, other stakeholders and the society at large.





# **Financial Performance**

## **SMC**



## Social Marketing Company

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

Performance Indicator	FY 2021-22 (in BDT)	FY 2020-21 (in BDT)	FY 2019-20 (in BDT)	FY 2018-19 (in BDT)	FY 2017-18 (in BDT)
<b>Gross Sales Revenue</b>	<b>12,420,083,415</b>	<b>10,707,099,410</b>	<b>9,107,563,037</b>	<b>7,125,709,084</b>	<b>5,760,121,464</b>
Revenue (Net)	11,044,504,823	9,433,531,607	8,153,524,455	6,558,409,562	5,376,256,209
Cost of Goods Sold	6,821,797,315	5,776,423,394	4,927,386,894	4,068,399,269	3,289,142,488
<b>Gross Profit</b>	<b>4,222,707,508</b>	<b>3,657,108,213</b>	<b>3,226,137,561</b>	<b>2,490,010,293</b>	<b>2,087,113,721</b>
Grants and Corporate Income	817,744,999	729,368,015	628,708,180	632,443,900	582,710,639
<b>Total Income</b>	<b>5,040,452,507</b>	<b>4,386,476,228</b>	<b>3,854,845,741</b>	<b>3,122,454,193</b>	<b>2,669,824,360</b>
Program Expenditure	756,166,931	435,972,130	343,655,972	406,705,717	409,838,723
Operating Expenditure (including salary, marketing and finance expenses)	2,760,627,390	2,380,770,425	2,183,264,613	1,875,836,959	1,502,043,189
<b>Total Operating Expenditure</b>	<b>3,516,794,321</b>	<b>2,816,742,555</b>	<b>2,526,920,585</b>	<b>2,282,542,675</b>	<b>1,911,881,912</b>
Net Profit before Tax	1,523,658,186	1,569,733,673	1,327,925,156	839,911,518	757,942,448
Income tax expenses	493,255,500	493,035,651	414,199,309	280,812,565	265,800,612
<b>Net Profit after Tax</b>	<b>1,030,402,686</b>	<b>1,076,698,022</b>	<b>913,725,847</b>	<b>559,098,953</b>	<b>492,141,836</b>
Current Assets	8,773,553,504	7,219,039,563	5,872,528,989	4,245,937,740	3,912,368,518
Non-current Assets	3,886,185,725	3,402,041,534	3,074,786,480	2,823,141,899	2,542,927,980
<b>Total Assets</b>	<b>12,659,739,229</b>	<b>10,621,081,097</b>	<b>8,947,315,469</b>	<b>7,069,079,639</b>	<b>6,455,296,498</b>
Current Liabilities	3,888,606,684	2,946,161,465	2,408,533,571	1,551,622,378	1,430,479,868
Non-current Liabilities	410,576,976	344,766,679	221,754,964	79,156,174	119,937,081
Shareholder's Equity	8,360,555,569	7,330,152,953	6,317,026,934	5,438,301,087	4,904,879,548
<b>Shareholder's Equity and liabilities</b>	<b>12,659,739,229</b>	<b>10,621,081,097</b>	<b>8,947,315,469</b>	<b>7,069,079,639</b>	<b>6,455,296,498</b>



## Social Marketing Company

### Comparative financial performance of preceding five years (FY 2017-18 to 2021-22)

Particulars	FY 2021-22 (in BDT)	FY 2020-21 (in BDT)	FY 2019-20 (in BDT)	FY 2018-19 (in BDT)	FY 2017-18 (in BDT)
<b>I. Income-Corporate</b>	<b>505,570,851</b>	<b>490,822,533</b>	<b>400,974,831</b>	<b>352,625,818</b>	<b>273,035,900</b>
Sales Revenue	142,475,615	107,076,413	86,656,501	65,832,760	66,621,697
Income on FDR	101,165,626	240,514,236	178,419,121	158,407,428	77,150,423
Rental Income	102,788,036	88,900,086	97,113,326	96,546,019	81,434,266
Dividend	136,499,930	49,999,900	34,999,930	29,999,940	24,999,950
Others	22,641,644	4,331,898	3,785,953	1,839,671	22,829,564
<b>II. Income-Program</b>	<b>692,111,727</b>	<b>436,156,183</b>	<b>382,475,342</b>	<b>413,916,501</b>	<b>432,533,153</b>
Sales Revenue	162,506,337	97,981,880	94,534,129	84,134,205	74,058,899
Grants	475,620,453	309,749,552	265,131,302	317,426,075	357,165,746
Income from Clinics	53,984,937	28,424,751	22,809,911	12,356,221	1,308,508
<b>A. Total Income (I + II)</b>	<b>1,197,682,578</b>	<b>926,978,717</b>	<b>783,450,173</b>	<b>766,542,319</b>	<b>705,569,053</b>
<b>III. Expenditure- Corporate</b>	<b>425,535,300</b>	<b>403,012,269</b>	<b>380,074,824</b>	<b>396,047,954</b>	<b>316,403,495</b>
Salary	154,955,044	145,712,756	141,774,319	130,867,884	100,903,312
Travel	12,523,390	11,839,295	10,444,827	8,623,572	9,230,521
General Operating Expenses	89,457,035	85,193,504	93,724,987	112,606,206	47,328,550
Commodity & Packaging	119,139,736	96,424,855	74,140,881	58,154,075	58,510,638
Others including depreciation	49,460,094	63,841,858	59,989,810	85,796,217	100,430,474
<b>IV. Expenditure- Program</b>	<b>756,166,931</b>	<b>435,972,129</b>	<b>342,190,597</b>	<b>379,929,818</b>	<b>409,838,723</b>
Salary	109,315,155	55,587,310	55,162,039	54,185,080	54,006,281
Travel	20,376,281	10,198,329	12,270,145	10,808,953	12,623,954
General Operating Expenses	108,213,709	39,964,110	31,687,867	13,548,780	6,598,688
Commodity & Packaging	35,426,512	25,431,430	20,574,621	9,417,268	11,294,555
Program Expenses	370,720,538	224,420,478	188,937,631	213,874,336	259,824,142
Advertising expenses	102,676,629	75,648,037	30,436,164	72,704,253	65,491,103
Others	9,438,107	4,722,435	3,122,130	5,391,148	-
<b>B. Total Expenditure (III + IV)</b>	<b>1,181,702,231</b>	<b>838,984,398</b>	<b>722,265,421</b>	<b>775,977,772</b>	<b>726,242,218</b>
<b>Net surplus/(deficit) before tax (A-B)</b>	<b>15,980,347</b>	<b>87,994,319</b>	<b>61,184,752</b>	<b>-9,435,453</b>	<b>-20,673,165</b>
<b>Particulars</b>	<b>FY 2021-22 (in BDT)</b>	<b>FY 2020-21 (in BDT)</b>	<b>FY 2019-20 (in BDT)</b>	<b>FY 2018-19 (in BDT)</b>	<b>FY 2017-18 (in BDT)</b>
Capital Fund	3,396,313,929	3,405,589,972	3,409,887,472	3,348,702,720	3,353,815,584
Current liabilities	892,210,077	913,417,432	869,773,267	457,016,319	443,557,791
<b>Liabilities</b>	<b>4,288,524,006</b>	<b>4,319,007,404</b>	<b>4,279,660,739</b>	<b>3,805,719,039</b>	<b>3,797,373,375</b>
Non-current assets	1,586,211,271	1,607,719,962	1,315,068,657	952,137,035	863,292,768
Current assets	2,702,312,735	2,711,287,442	2,964,592,082	2,853,582,004	2,934,080,607
<b>Assets</b>	<b>4,288,524,006</b>	<b>4,319,007,404</b>	<b>4,279,660,739</b>	<b>3,805,719,039</b>	<b>3,797,373,375</b>





# **Audit Committee Report**



The Audit Committee is the sub-committee of the Board of Directors of the Company and its role is to assist the Board in fulfilling its oversight responsibilities relating to the integrity of financial statements, risk management, internal audit function and performance of external auditor of the company. The Committee also assists the Board in ensuring that the financial statements reflect a true, fair and accurate view of the state of affairs of the Company, and also in ensuring robust monitoring systems and internal control within the business. This report provides an overview of how the Committee operated, an insight into the Committee's activities, and its role in ensuring the integrity of the Company's published financial information and ensuring the effectiveness of its risk management, controls, and related processes.

## Composition and Meeting

The Audit Committee of SMC comprises the following Board members:

1.	Mr. Siddiquir Rahman Choudhury	Convener
2.	Mr. Muhammed Ali	Member
3.	Mr. Waliul Islam	Member
4.	Mr. Aftab ul Islam FCA	Member
5.	Mr. Muhammed Farhad Hussain FCA	Member

All members of the Audit Committee have rich business acumen, insights and are individuals with specialist skills, ethics and integrity, and are able to ensure compliance with financial, regulatory and corporate laws that support purposeful contribution to the business as well. The Audit Committee held nine meetings during the period 2021-2022. The Managing Director & CEO, SMC; Managing Director, SMC EL; Chief Financial Officer (CFO), SMC; Chief Financial Officer (CFO), SMC EL; Head of Internal Audit and the Company Secretary were the permanent invitees to the Audit Committee meetings. Relevant heads of divisions and other members of the Management and the internal audit team also attended the meetings on occasions, as required.

## How the Committee has Discharged its Responsibilities

In 2021-2022, the Audit Committee reviewed its terms of reference in line with the Corporate Governance code of the Bangladesh Securities and Exchange Commission's (BSEC). The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Some of the major responsibilities of the Audit Committee are as follows:

### 1. Review of financial statements

The year-end financial statements of June 2022 were prepared by the management of the company and after getting those audited by the external auditor, the financial statements were placed to the Audit Committee for review. The Audit Committee reviewed the financial statements including relevant disclosures for the year 2021-2022 and recommended the same to the Board for adoption.

### 2. Review of the activities of internal control and compliance

- Review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the company's processes for monitoring compliance with laws and regulations and the Codes of Conduct.



- Exercise its oversight of the work of Internal Audit department of the company. Review the effectiveness of Internal Audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and weaknesses and monitor implementation of audit action plans.

### **3. Legal regulatory and compliance oversight**

The Committee oversees legal and regulatory matters that may have a material impact on the company's financial statements and the company's code of business conduct and ethics. The Committee periodically reviews the company's compliance policies and procedures, and receives and reviews certain reports on complaints, allegations, and incidents reported pursuant to the code of business and ethics.

### **Major Activities of the Audit Committee**

- Reviewed the annual Financial Statements for the year ended June 30, 2022 and recommended to the Board for their adoption and approval.
- Reviewed if adequate internal control systems are in place to detect, correct and prevent fraud and errors on a timely basis;
- Reviewed if financial statements for the year ended June 30, 2022, contained full disclosures and if these were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB);
- Reviewed if laws and regulations relating to business and internal policies, procedures, and guidelines have been complied with;
- Reviewed the management letter from external auditors for the year 2021-2022 together with management's responses to the findings.
- Approved the Internal Audit Plan for 2022-2023, monitored progress, and effected revisions when necessary.
- Discussed Internal Audit reports and findings in detail with auditors and members of management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of audit plans.
- Reviewed the activities of the compliance function, incidence reporting and actions, and the status of enforcement of the company's Code of Conduct.
- Reviewed the Internal Audit Charter.

### **Independence of External Auditor**

MABS & J Partners, Chartered Accountants acted as statutory auditors of the company for audit of financial statements as of 30 June 2022. The Audit Committee reviews the key audit matters and findings of an audit of the annual financial statements of the company for the year ended on 30 June 2022. The auditor expressed that the conduct of the audit was independently done.

As per the notification of the Bangladesh Securities and Exchange Commission dated 03 June 2018, no other non-audit service was conducted by the external auditor. Tax and other related professional services



were conducted by other professional Firms. However, reports of the tax and other professional issues were made available to the external auditors during their review of financial statements.

## **Annual Financial Statements**

The Committee has tabled the annual financial statements for approval by the Board. The Board has subsequently approved the financial statements, which will be opened for discussion at the forthcoming Annual General Meeting.

## **Appreciation**

The Audit Committee expresses its sincere acknowledgment to members of the Board, the management, and statutory and internal auditors for their continuous support and assistance in enabling it to discharge its duties and responsibilities effectively.



**(Siddiqur Rahman Choudhury)**

Chairman, Audit Committee





# **Auditor's Report and Consolidated Financial Statements**

SMC



**Independent Auditor's Report  
To the Members of  
Social Marketing Company  
Report on the Audit of the Financial Statements**

ম্যাবস এন্ড জে পার্টনার্স  
**MABS & J Partners**  
Chartered Accountants

**Opinion**

We have audited the accompanying Consolidated Financial Statements of Social Marketing Company and its subsidiary, SMC Enterprise Limited (together referred to as the "Group") which comprise the Consolidated Statement of Financial Position as at 30 June 2022, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended and a Summary of Significant Accounting Policies and Other Explanatory Notes.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, (or give a true and fair view of) the Financial Position of Social Marketing Company and its subsidiary, as at 30 June 2022 and (of) its Financial Performance and its Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), comply with the Companies Act 1994, and other applicable laws and 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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Consolidated financial statements and we have fulfilled our 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.

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

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements 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 Consolidated 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 Consolidated 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 Consolidated 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's to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated 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 audit findings, including any deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

We also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. The Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Company dealt with by the report are in agreement with the books of account.

**Place: Dhaka, Bangladesh**  
**Date: 21 December, 2022**

**Signed for & on behalf of**  
**MABS & J Partners**  
**Chartered Accountants**

**Ummay Sumaya Jahan FCA, ACMA**  
**(UK), CGMA, Partner**  
**ICAB Enrollment No: 1818**



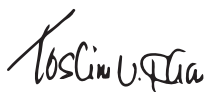
**Social Marketing Company**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2022**

Particulars	Notes	30-Jun-2022 BDT	30-Jun-2021 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,120,962,388	2,908,982,381
Right-of-use assets	4.2	461,367,294	323,070,463
Intangible assets	4.3	7,903,108	7,981,161
Capital work-in-progress	5	295,952,934	162,007,528
<b>Total non-current assets</b>		<b>3,886,185,725</b>	<b>3,402,041,534</b>
<b>Current assets</b>			
Inventories	6	2,345,702,227	1,741,900,940
Receivables	7	137,711,451	91,837,918
Advances, deposits and prepayments	8	1,967,059,166	1,403,140,405
Investment in fixed deposit	9	3,087,121,376	2,732,010,519
Cash and bank balances	10	1,235,959,284	1,250,149,781
<b>Total current assets</b>		<b>8,773,553,504</b>	<b>7,219,039,562</b>
<b>Total assets</b>		<b>12,659,739,229</b>	<b>10,621,081,096</b>
<b>Equity</b>			
Capital fund	11	3,174,814,168	3,320,590,141
Retained earnings	12	5,185,732,502	4,009,554,446
		<b>8,360,546,669</b>	<b>7,330,144,587</b>
Non-controlling interest		8,900	8,367
<b>Total equity</b>		<b>8,360,555,569</b>	<b>7,330,152,953</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement benefit obligation-gratuity	13	28,923,208	81,740,278
Lease Liabilities (Non-Current portion)	19	335,173,341	234,661,568
Deferred tax liability	26	46,480,427	28,364,832
<b>Total non-current liabilities</b>		<b>410,576,976</b>	<b>344,766,679</b>
<b>Current liabilities</b>			
Deferred Income	14	127,386,111	70,865,945
Provision for Income tax	15	1,063,147,948	1,118,652,226
Accounts and other payables	16	2,480,232,220	1,587,673,831
Workers' Profit Participation Fund & Welfare Fund	17	86,535,672	80,617,856
Security deposits	18	15,458,308	13,186,046
Lease Liabilities (Current portion)	19	115,846,425	75,165,562
<b>Total current liabilities</b>		<b>3,888,606,684</b>	<b>2,946,161,465</b>
<b>Total equity and liabilities</b>		<b>12,659,739,229</b>	<b>10,621,081,097</b>

This financial statement should be read in conjunction with annexed notes



Tapan Bala FCMA FCA  
Chief Financial Officer



Toslim Uddin Khan  
Managing Director & CEO (Acting)



Waliul Islam  
Chairman

Place: Dhaka, Bangladesh  
Date: 21 December, 2022

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants



Ummay Sumaya Jahan FCA, ACMA  
(UK), CGMA, Partner  
ICAB Enrollment No: 1818



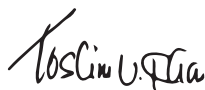
**Social Marketing Company**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2022**

Particulars	Notes	30-Jun-2022	30-Jun-2021
		BDT	BDT
Revenue	20	11,044,504,823	9,433,531,607
Cost of goods sold	21	(6,821,797,315)	(5,776,423,394)
<b>Gross profit</b>		<b>4,222,707,508</b>	<b>3,657,108,213</b>
Administrative expenses	22	(1,475,381,415)	(1,279,591,366)
Selling & marketing expenses	23	(1,170,369,715)	(1,017,010,264)
<b>Total Operating expenses</b>		<b>(2,645,751,130)</b>	<b>(2,296,601,630)</b>
<b>Profit from operations</b>		<b>1,576,956,378</b>	<b>1,360,506,584</b>
<b>Other income</b>			
Grants income	25	475,620,453	309,749,552
Corporate income (Rent, Interest, Clinics etc.)	26	342,124,546	419,618,462
<b>Total other income</b>		<b>817,744,999</b>	<b>729,368,015</b>
<b>Net Operating Profit before finance &amp; program expenses</b>		<b>2,394,701,377</b>	<b>2,089,874,599</b>
Finance expenses		(28,340,588)	(3,550,939)
Program expenditure	24	(756,166,931)	(435,972,130)
<b>Total finance and program expenses</b>		<b>(784,507,519)</b>	<b>(439,523,069)</b>
<b>Net Operating Profit before WPPF &amp; WF for the year</b>		<b>1,610,193,858</b>	<b>1,650,351,530</b>
Contribution to WPPF		(86,535,672)	(80,617,856)
<b>Net profit before tax</b>		<b>1,523,658,186</b>	<b>1,569,733,675</b>
<b>Income tax expenses</b>			
Current income tax		(475,139,905)	(504,970,179)
Deferred tax	27	(18,115,595)	11,934,528
		<b>(493,255,500)</b>	<b>(493,035,651)</b>
<b>Net profit after tax</b>		<b>1,030,402,686</b>	<b>1,076,698,023</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>1,030,402,686</b>	<b>1,076,698,023</b>
<b>Profit attributable to:</b>			
Social Marketing Company		1,030,402,083	1,076,697,475
Non-controlling interest		603	547
		<b>1,030,402,686</b>	<b>1,076,698,023</b>

This financial statement should be read in conjunction with annexed notes



Tapan Bala FCMA FCA  
Chief Financial Officer



Toslim Uddin Khan  
Managing Director & CEO (Acting)



Waliul Islam  
Chairman

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants



Ummay Sumaya Jahan FCA, ACMA  
(UK), CGMA, Partner  
ICAB Enrollment No: 1818



**Social Marketing Company**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2022**

Particulars	Capital fund	Retained earnings	Non-controlling interest	Total Equity
	BDT	BDT	BDT	BDT
<b>Balance as on 01 July 2021</b>	3,320,590,141	4,009,554,446	8,367	7,330,152,953
Surplus/(deficit) for the year - SMC	(145,775,973)			(145,775,973)
Non-controlling interest-FY 2020-21			(70)	(70)
Profit for the year - SMC Enterprise Limited	-	1,176,178,056	603	1,176,178,659
<b>Balance as at 30 June 2022</b>	<b>3,174,814,168</b>	<b>5,185,732,502</b>	<b>8,900</b>	<b>8,360,555,569</b>
<b>Balance as on 01 July 2020</b>	3,345,898,008	2,942,131,472	7,919	6,288,037,400
Surplus for the year - SMC	9,274,502			9,274,502
Non-controlling interest-FY 2019-20			(100)	(100)
Less: Capital expenditure of USAID Cash Fund excluded from Fixed Assets Register (FAR)	(34,582,369)			(34,582,369)
Profit for the year - SMC Enterprise Limited	-	1,067,422,974	547	1,067,423,521
<b>Balance as at 30 June 2021</b>	<b>3,320,590,141</b>	<b>4,009,554,446</b>	<b>8,367</b>	<b>7,330,152,953</b>



Tapan Bala FCMA FCA  
Chief Financial Officer



Toslim Uddin Khan  
Managing Director & CEO (Acting)



Waliul Islam  
Chairman

Place: Dhaka, Bangladesh  
Date: 21 December, 2022





**Social Marketing Company**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2022**

Particulars	30-Jun-2022	30-Jun-2021
	BDT	BDT
<b>A. Cash flows from operating activities</b>		
Cash received from customers	12,314,794,884	10,640,528,437
Income from other sources	192,804,825	132,851,670
<b>Total Received</b>	<b>12,507,599,708</b>	<b>10,773,380,107</b>
Advance, deposit & prepayment	289,279,536	67,762,678
Advertisement & Promotion	452,809,945	375,807,946
General operating expenses	431,211,154	330,586,155
Honorarium	1,642,574	1,416,721
Incentive Paid	76,778,665	66,221,656
Insurance	6,301,340	5,434,910
LC and C&F bill paid	2,733,419,951	2,388,358,793
Official Travel Expenses	33,843,319	22,124,846
Paid to area offices & factories	815,836,613	703,659,690
Paid to PF, GF, WPPF & WP	202,859,744	174,966,682
Salary & Benefits	1,105,122,509	925,896,660
Suppliers & contractors	4,485,789,789	3,869,876,405
VAT & Tax Paid	1,331,100,014	1,148,074,759
Research and development	6,705,978	3,400,261
Staff development expenditure	474,419	254,277
Program expenses	201,128,157	72,178,864
Commodity expenses (SMC products & medicines)	140,841,312	145,680,545
<b>Total Payments</b>	<b>12,315,145,019</b>	<b>10,301,701,848</b>
<b>Net cash Used in / Generated from Operating activities</b>	<b>192,454,689</b>	<b>471,678,259</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(409,423,633)	(517,134,247)
Proceeds from sale of property, plant and equipment	50,089	240,808
Interest on FDR & savings accounts at Bank	101,558,526	240,518,947
Encashment of fixed deposit	468,333,304	51,422,500
Investment in fixed deposit	(793,471,815)	(707,825,819)
<b>Net cash used in investing activities</b>	<b>(632,953,529)</b>	<b>(932,777,812)</b>
<b>C. Cash flows from financing activities</b>		
Dividend Paid (Non-controlling interest)	(70)	(100)
Grants (USAID, GAIN/CIFF, ICDDR'B)	422,814,727	441,477,310
Finance Lease	3,493,687	3,550,939
<b>Net cash used in financing activities</b>	<b>426,308,344</b>	<b>445,028,149</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(14,190,495)</b>	<b>(16,071,404)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,250,149,781</b>	<b>1,266,221,185</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,235,959,285</b>	<b>1,250,149,781</b>

Tapan Bala FCMA FCA  
Chief Financial Officer

Toslim Uddin Khan  
Managing Director & CEO (Acting)

Waliul Islam  
Chairman

Place: Dhaka, Bangladesh  
Date: 21 December, 2022





# **Social Marketing Company**

## **Notes to the Consolidated Financial Statements**

### **For the year ended 30 June 2022**

#### **1. Organisation and its of activities**

Social Marketing Company (SMC) ("the Company") is a not-for-profit company incorporated in Bangladesh in April 1990 as per section 26 of the Companies Act, 1913 which subsequently comes under the jurisdiction of the Companies Act, 1994 as per section 28 and is involved in the reproductive, health and nutrition programs of the country. It is funded by Donors such as USAID, GAIN/CIFF, ICDDR'B etc. both through cash and contraceptive items and utilisation of SMC's resources. SMC formed SMC Enterprise Ltd, a for-profit subsidiary to separate profitable operations from non-profit activities in October 2014.

SMC Enterprise Limited ("SMC EL" or "the Company"), a private company limited by shares was incorporated in Bangladesh bearing Registration No. C-118753/14, dated 20 October, 2014 under the Companies Act, 1994. Registered address of the company is SMC Tower, 33 Banani Commercial Area, Dhaka 1213. The Company obtained registration from the Bangladesh Investment Development Authority (BIDA), Government of Bangladesh under Registration No. L-30031503052-H, dated 16 March, 2015. Commercial operation started from 1 January 2015.

#### **2. Basis of preparation of financial statements**

##### **2.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act 1994.

IFRSs are designed to apply to general purpose financial statements and other financial reporting of all profit-oriented entities. As such it is not possible to comply with all the requirements of IFRSs. However, the Company adopted the IFRSs so far it is possible to comply without any contradiction to the local laws, as its reporting framework.

##### **2.2 Principles of consolidation**

Subsidiaries are entities controlled by the Group. An investor controls an investee if and only if it has all of the following:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the investor's returns.
- The consolidated financial statements incorporate the financial statements of Social Marketing Company and the financial statements of a majority/wholly owned subsidiary (SMCEL) company from the date that control commences until the date that control ceases. The financial statements of such subsidiary company are incorporated on a line by line basis and the investments held by the Group are eliminated against the corresponding share capital of subsidiary in the consolidated financial statements. All intercompany transactions and balances have been eliminated/adjusted in consolidation. Figures used in the consolidated financial statements are based on the individual audited financial statements.

##### **2.3 Measurement of the elements in the financial statements**

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the statement of financial position and statement of profit or loss and other comprehensive income. The measurement basis adopted by Social Marketing Company is historical cost. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition.

Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.



# Social Marketing Company

## Notes to the Consolidated Financial Statements

### For the year ended 30 June 2022

The complete set of Financial Statements includes the following components:

- Consolidated Statement of Financial Position as at 30 June 2022;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022;
- Consolidated Statement of Changes in Equity for the year ended 30 June 2022
- Consolidated Statement of Cash Flows for the year ended 30 June 2022; and
- Notes to the Consolidated Financial Statements for the year ended 30 June 2022.

#### 2.4 Functional and presentational currency

These financial statements are prepared in Bangladesh Taka (BDT), which is the Company and its subsidiary's functional currency as well. All financial information presented in BDT has been rounded to the nearest integer.

#### 2.5 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make 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 those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

Note - 4	Depreciation of property, plant and equipment
Note - 6	Inventories
Note -13	Retirement benefit obligation-gratuity
Note -15	Provision for income tax

#### 2.6 Statement of cash flows

Statement of cash flows has been prepared in accordance with the International Accounting Standard (IAS) 7: Statement of cash flows, under direct method. Statement of cash flows of SMC for year ended 30 June 2022 have been prepared following direct method which is represented in this financial statements to make it comparable.

#### 2.7 Reporting period

The accounting period of the Company has been determined to be from 1 July to 30 June each year. These financial statements cover twelve months from 1 July 2021 to 30 June 2022.

Financial statements of one accounting period must be comparable to another in order for the users to derive meaningful conclusions about the trends in an entity's financial performance and position over time.

#### 2.8 Non-controlling interests in consolidated financial statements

Social Marketing Company adopted the accounting guidance on non-controlling interests in consolidated financial statements.

Accounting guidance requires that a non-controlling interest in the equity of a subsidiary be accounted for and reported as equity and provides guidance on the treatment of net income and losses attributable to the non-controlling interest and changes in ownership interests in a subsidiary and requires additional disclosures that identify and distinguish between the interests of the controlling and non-controlling owners. Profit attributable to non-controlling interest represent income attributable to the common shareholders of SMC Enterprise Limited in a single line.

**The composition of fully paid- up share capital of SMC Enterprise Limited is as follows:**

Name of shareholder	Nationality	No. of shares	Face value per share BDT	Amount in BDT
Represented by Mr. Muhammed Ali, Board of director	Bangladeshi	3,899,998	100	389,999,800
Mr. Siddiqur Rahman Choudhury	Bangladeshi	1	100	100
Mr. Md. Ali Reza Khan	Bangladeshi	1	100	100
		<b>3,900,000</b>		<b>390,000,000</b>



**Social Marketing Company**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2022**

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

**3.1 Revenue**

**3.1.1 Revenue Recognition**

In compliance with the requirements of IFRS-15: Revenue is recognized only when it completes the 5 steps model:

- Step-1 Identify the contract with a customer.
- Step-2 Identify the performance obligations in the contract.
- Step-3 Determine the transaction price.
- Step-4 Allocate the prices to the performance obligations
- Step-5 Recognize revenue.

**3.1.2 Revenue from the sale of donated goods**

The policy of the Company is to sell its USAID donated products at subsidized prices. Revenue from sale of donated products is recognised after due approval is received from donors.

**3.1.3 Grants income in the form of cash donation**

Grants income in the form of cash donation is generated from fund provided by foreign donor(s) for program expenditures.

**3.1.4 Other income**

Gains and losses on sale of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. Interest accrued and earned on fixed deposits, is recognized as income. Rental income accrued and earned from house property is recognized as income.

**3.2 Inventories**

Donated Commodities received through USAID have been valued at realizable value and corresponding unearned revenue has been recognized. The procured commodities are valued at average invoice price which includes C&F charges and other costs.

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: "Inventories". Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

**3.3 Property, plant and equipment**

**3.3.1 Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Threshold of Tk. 5,000.00 has been fixed for recognition of fixed assets. Immaterial items which are capital in nature are booked as expenses.

**3.3.2 Subsequent cost**

Subsequent cost is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.



**Social Marketing Company**  
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**3.3.3 Depreciation**

Depreciation is charged on property, plant and equipment (except Land) using straight line method over the estimated useful life of each item of property, plant and equipment. Depreciation on addition to property, plant and equipment is charged from the date when asset is put into use for commercial operation. No depreciation is charged on the assets from the month on which such assets are disposed. The rates are as follows:

Asset category	Rate (%)
Land (HQ and Factory)	0
Buildings (HQ, Factory and CWH)	2.5 to 10
Lifts (HQ and CWH)	20
Power sub-stations (HQ, Factory and CWH) and generator	20
Fire control system	20
Central air conditioning (HQ and Factory)	20
Deep tube well (Factory)	15
Plant and machinery	10
QC equipment	10
Warehouse equipment	10
Furniture and fittings	10
Vehicles	20 to 25
Other equipment	20
Office equipment	20
Mobile phone	30
Water treatment plant	15
Software development	20
Diesel reservoir	20

Land is not depreciated.

**3.3.4 Impairment**

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised in the statement of profit or loss and other comprehensive income if the carrying amount of an asset exceeds its estimated recoverable amount. However, no such conditions that would arise the risk of impairment of assets existed at the reporting date.

**3.4 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**3.4.1 Financial assets**

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, investment and investment of gratuity fund, interest and other receivables.

**3.4.1.1 Cash and bank balances**

Cash and bank balances comprise cash balances in hand, current, short term and fixed deposits at banks.



**Social Marketing Company**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2022**

**3.4.1.2 Other receivables**

The other receivables includes rent, receivables from tenants, accrued bank interest and miscellaneous receivables.

**3.4.2 Financial liability**

All other financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include accrued expenses, other liabilities and accounts & other payables.

**3.5 Impairment of financial assets**

**3.5.1 Financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company.

**3.6 Foreign currency translations**

Transactions in foreign currencies are translated to Bangladesh Taka (BDT) currency at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the year. Resulting exchange differences are recognised in the statement of profit or loss and other comprehensive income (profit and loss statement).

**3.7 Employee benefits**

**3.7.1 Short term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

**3.7.2 Defined contribution plan (Provident Fund)**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company maintains a recognized provident fund. This fund is also recognized by the NBR and its operation managed by the Trustees.

**3.7.3 Defined benefit plan (Gratuity Fund)**

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The Company has funded gratuity fund. The Employees' Gratuity Fund is being considered as defined benefit plan as it meets the recognition criteria of IAS-19 Employee Benefits. The Company's obligation is to provide the agreed benefits to current employees as per condition of the fund. This fund is also recognized by the NBR and its operation managed by the Trustees.



**Social Marketing Company**  
**Notes to the Consolidated Financial Statements**  
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The Company operates a gratuity scheme for its permanent employees; provision for gratuity is made annually against the following:

Gratuity (1 Gratuity = 1 basic for each year of service)

Management Employee : Service less than 10 years -1 gratuity and 10 years & above -1.5 gratuity.

Graded Employee : Service 1 to 4 years -1 gratuity , 5 to 8 Years- 1.5 gratuity , 9 Years and above -2 gratuity.

Ex-gratia for graded employee: (1 Ex-gratia = Basic+House Rent + Medical allowance per month)

10 years of service = 3.15 Ex-gratia , 11 years of service = 2.85 Ex-gratia , 12 years of service = 2.60 Ex-gratia, 13 years of service = 2.30 Ex-gratia , 14 years of service = 2.00 Ex-gratia , 15 years of service = 1.70 Ex-gratia, 16 years of service = 1.45 Ex-gratia, 17 years of service = 1.15 Ex-gratia, 18 years of service = 0.85 Ex-gratia, 19 years of service = 0.55 Ex-gratia, 20 years of service = 0.30 Ex-gratia and 21 years of service & above = No Ex-gratia.

#### **3.7.4 Workers' Profit Participation Fund**

SMC Enterprise Limited's Workers' Profit Participation Fund (the "WPPF") also qualifies as defined contribution plan. The Company is required to provide 5% of net profit before tax before charging such expense in accordance with Bangladesh Labour Act 2006 (amended in 2013).

#### **3.7.5 Staff welfare assistance**

Under the existing principle of treating the employees of two entities (SMC & SMC EL) as one SMC, to ensure uniformity between the employees of both companies. Staff of SMC will receive "Staff Welfare Assistance" as similar practice of WPPF of SMC EL. Staff of SMC will get the full amount of declared WPPF of SMC EL and applicable tax burden will be borne by the Company.

### **3.8 Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to item recognised directly in equity.

#### **3.8.1 Current income tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date. The applicable tax rate for the Company is 27.50%. Provision for current tax expenses has been made on the basis of Finance Act 2022 of Income Tax Ordinance 1984.

#### **3.8.2 Deferred tax**

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognised in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognised in current year. The deferred tax asset/income or liability/expense does not create a legal recoverability/liability to and from the income tax authority.

SMCEL a majority/wholly - owned subsidiary has recognised deferred tax liability in accordance with the provision of IAS 12 (Income tax) based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and its tax base.

### **3.9 Provisions**

Provisions are recognised in the statement of financial position when the Company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.



**Social Marketing Company**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 30 June 2022**

**3.10 Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**3.11 Leases (as lessee)**

Leases of assets in which the Group assumes substantially the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included as liabilities. The interest element of the finance cost is taken to the Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**3.12 Events after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting event are disclosed in the notes when material.

**3.13 Comparatives and rearrangement**

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged or reclassified whenever considered necessary to conform current year's presentation.

Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

**4. Property, plant and equipment**

Opening Balance	4,376,111,591	4,061,739,231
Add: Addition during the year	497,897,405	372,118,749
Less: Sales/Adjustments during the year	(140,900,085)	(57,746,388)
Less: Accumulated depreciation (note 4.1)	(1,612,146,523)	(1,467,129,210)
<b>Total</b>	<b>3,120,962,388</b>	<b>2,908,982,381</b>

**4.1 Accumulated depreciation**

Opening Balance	1,467,129,211	1,207,196,531
Add: Charged during the year	269,149,165	263,349,301
Less: Sales/Adjustments during the year	124,131,852	3,416,621
<b>Total</b>	<b>1,612,146,523</b>	<b>1,467,129,210</b>

\* This amount represents written down value at the date of financial statements. Details are shown in Annexure- A.

**4.2 Right-of-use assets**

<b>A</b> Opening balance	412,898,625	194,937,141
Add: Addition during the year	257,759,494	217,961,484
<b>Total</b>	<b>670,658,119</b>	<b>412,898,625</b>

**Accumulated depreciation**

Opening balance	89,828,162	27,333,287
Add: Charged during the year	119,462,663	62,494,875

<b>B Total</b>	<b>209,290,825</b>	<b>89,828,162</b>
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<b>Written down value (A-B)</b>	<b>461,367,294</b>	<b>323,070,463</b>
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**Social Marketing Company**  
**Notes to the Consolidated Financial Statements**  
For the year ended 30 June 2022

Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

**4.3 Intangible assets**

<b>A</b> Opening balance	14,133,757	9,660,000
Add: Addition during the year	3,803,614	4,473,757
Less: Adjusted during the year	699,232	-
<b>Total</b>	<b>17,238,139</b>	<b>14,133,757</b>

**B Accumulated depreciation**

Opening balance	6,152,596	3,641,803
Add: Charged during the year	3,182,435	2,510,793
<b>Total</b>	<b>9,335,031</b>	<b>6,152,596</b>

<b>Written down value (A-B)</b>	<b>7,903,108</b>	<b>7,981,161</b>
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**5 Capital work-in-progress**

Construction work at Comilla	22,275,381	20,552,122
Construction work at Bhaluka for ORS factory	1,544,658	-
Construction work for CWH at Bhabanipur	42,555,453	10,583,853
Construction work at Khulna	1,452,788	782,303
Construction work for expansion of H&H Factory	191,563,925	117,762,710
Property, plant and equipment (Other than construction works)	36,560,729	12,326,541
	<b>295,952,934</b>	<b>162,007,528</b>

The movement of this amount is as under:

Opening balance	162,007,528	46,621,727
Add: Addition during the year	139,110,251	140,241,797
	301,117,780	186,863,524
Less: Transfer to property, plant and equipment during the year	5,164,846	24,315,996
Less: Transfer to revenue expenditure during the year	-	540,000
Closing balance	<b>295,952,934</b>	<b>162,007,528</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

## 6. Inventories

Details of the above are as follows:

### a. SMCEL:

Raw Materials	830,892,704	293,086,930
Packaging Materials	269,432,588	181,997,928
POP materials	21,623,567	10,682,307
Spares parts	46,752,088	37,799,657
Generator Fuel	2,213,307	1,603,657
Work in Progress	29,292,032	13,551,676
Finished Goods	1,004,337,149	1,101,773,194
	<b>2,204,543,435</b>	<b>1,640,495,349</b>

### b. Donor products (USAID):

SOMA-JECT	58,871,036	31,107,162
Sayanapress	3,261,760	7,923,440
Relax ( IUD )	111,937	276,397
i-Plant ( Implant )	823,050	592,950
	<b>63,067,783</b>	<b>39,899,949</b>

### c. Donor product (FullCare) (GAIN/CIFF) :

	<b>19,522,581</b>	<b>1,791,504</b>
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### d. SMC Pharmacy products:

SMC pharmacy products (Niltara and SMC Clinic)	<b>8,791,598</b>	<b>4,279,636</b>
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### e. SMC products:

SOMA-JECT	9,370,352	16,113,284
Pregnancy Test Kit	17,295	878,934
Quick Test	371,200	-
SMC Zinc	7,637,981	4,880,995
MoniMix	21,214,910	18,855,608
MoniMix Plus	5,229,416	7,577,544
Easy Clean (Paper Soap)	186,038	516,700
Vermicid	4,228,365	5,073,583
SDK	1,521,273	1,537,856
	<b>49,776,830</b>	<b>55,434,503</b>

<b>Total (a+b+c+d+e)</b>	<b>2,345,702,227</b>	<b>1,741,900,940</b>
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## 7. Receivables

Other receivables (note 7.1)	65,529,721	71,111,853
Receivable from Sales (Other than SMC & Pharma)	55,156,343	19,871,089
Receivable from Pharma Sales	17,025,387	854,976
<b>Total</b>	<b>137,711,451</b>	<b>91,837,918</b>

### 7.1. Other receivables

Interest income from Banks and NBFI's	58,155,112	67,500,588
Receivable from PF, GF & WPPF	81,091	168,858
Receivable for Insurance claim	3,512,398	230,250
Sales VAT Receivable (Mushak-9.1)	1,077	-
Receivable for staff medical bill	1,828,342	541,695
BRAC Bank -credit card settlement	498,250	618,123
Receivables from tenants	1,453,451	2,052,339
<b>Total</b>	<b>65,529,721</b>	<b>71,111,853</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

## 8. Advances, deposits and prepayments

### a. Advance

Vehicle loans (note 8.1)	49,828,548	45,302,410
Advance against expenses	21,335,263	34,496,846
Advance against import (L/C)	672,720,085	211,950,114
Advance income tax (note 8.2)	1,064,085,101	961,459,177
Advance Against Salary	1,913,598	1,223,631
Advance to Area offices	33,727,286	12,283,939
Advance against Raw Materials	-	1,586,875
L/C margin	-	16,801,542
Advance to contractors	31,317,439	21,986,944
Bank guarantee-Rupali/Uttara Bank Limited	1,360,000	1,160,000
Abdul Monem Sugar Refinery Limited	19,958,666	8,537,318
Abu Shahed Emon	1,500,000	1,500,000
Excelsior Trading Corporation Ltd.	150,000	150,000
HRC Lighting Limited	5,913	5,913
Marks Automation Ltd.	55,500	52,944
Mediastar Limited.	-	82,476
M/S. Taher Enterprise	-	125,549
N9ine Consultancy	-	3,267,045
ODCP ICON	-	37,500
Premas Magic Fantasy	-	34,500
Shaoon Enterprise	-	218,444
Star Particle Board Mills Ltd.	-	115,650
Zakir Ahmed	-	669,900
Allied Graphic	-	34,500
Advanced Trade VAT	21,727	-
Badal and Company	220,798	-
Meghna Sugar Refinery Ltd.	124,489	2,839,511
Advance to Employees Provident Fund	2,032,891	-
Advance to ACTB Project (Short time)	6,000,000	-
Current Account with VAT-ORS factory	-	6,199,500
Current Account with VAT-H & H Factory	-	7,849,945
Current Account with VAT-Stock	42,037,839	46,179,640
Pragati Insurance Ltd	6,044,109	4,702,680
<b>Sub-Total</b>	<b>1,954,439,251</b>	<b>1,390,854,493</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

**b. Security deposits**

Deposits against / with:

Bangladesh Telecommunications Company Limited	284,290	284,290
Grameenphone Limited	-	11,451
Titas Gas Transmission and Distribution Company Limited	321,280	321,280
Dhaka Electric Supply Authority	482,000	482,000
Alpine Fresh Water	19,500	19,500
General Post Office	-	48,000
Pragati Insurance Ltd.	1,000,000	1,000,000
First Security Islami Bank Limited, for 550 KW power to 1600 KVA substation at Bhaluka, Mymensingh for electrolyte drink	2,476,960	2,476,960
Performance Security to BRAC	30,000	80,000
Power Development Board (PDB)	768,000	768,000
Palli Biddut Samitee	6,054,620	6,054,620
<b>Sub-Total</b>	<b>11,436,650</b>	<b>11,546,101</b>

**c. Prepayments**

Insurance Premium	1,183,265	739,813
<b>Sub-Total</b>	<b>1,183,265</b>	<b>739,813</b>
<b>Grand Total (a+b+c)</b>	<b>1,967,059,166</b>	<b>1,403,140,405</b>

**8.1 Vehicles loans**

The above loan was given by the Company to its staff to increase their operational efficiency. Entire amount is receivable from graded and management level personnel against motor car / motorbike loan under this scheme through a fixed number of installments.

The movement and subsequent position of this amount are as under:

Opening balance	45,302,410	43,952,856
Add: Loan given during the year	19,802,088	15,782,310
	65,104,498	59,735,166
Less: Adjusted/Realised during the year	15,275,950	14,432,756
<b>Closing balance</b>	<b>49,828,548</b>	<b>45,302,410</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

## 8.2 Advance Income Tax

Opening balance	961,459,178	703,221,318
Add: Advance given during the year	593,486,071	546,143,225
	1,554,945,249	1,249,364,543
Less: Adjustment for the assessment year 2020-21	490,730,548	287,905,366
<b>Closing balance</b>	<b>1,064,214,701</b>	<b>961,459,177</b>

As per clause 1(a) of section 94 of Income Tax Ordinance 1984, if NBR does not assess the income of two years from the end of the first assessment year in which the income was first assessable then the amount of tax provision can be adjusted based on the acknowledgement receipt from NBR at the time of payment of tax as per return under section 82BB and 83. So here SMC Enterprise Limited has adjusted the tax paid for the assessment year 2020-21 (Sec.: 82BB) against the advance income tax. The company subsequently will adjust if there is any over or under provision assessed by NBR.

## 9. Investment in fixed deposit

This represents fixed deposit with banks and NBFIs:

Bank	2,081,796,345	1,872,985,682
Non Banking Financial Institution (NBFI)	1,005,325,031	859,024,837
	<b>3,087,121,376</b>	<b>2,732,010,519</b>

## 10. Cash and bank balances

Cash in hands	73,006,649	9,233,365
Cash at banks	1,162,952,636	1,240,916,416
<b>Grand Total</b>	<b>1,235,959,284</b>	<b>1,250,149,781</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021
<b>11. Capital fund</b>			
	Opening balance	3,320,590,141	3,345,898,008
	Add: Transferred from statement of income and expenditure	(145,775,973)	9,274,502
	Less: Fixed Assets of USAID Cash fund excluded from Fixed Assets Register (FAR)	-	(34,582,369)
	<b>Closing balance</b>	<b>3,174,814,168</b>	<b>3,320,590,141</b>
<b>12. Retained earnings</b>			
	Opening balance	4,009,554,446	2,942,131,472
	Profit for the year of SMC Enterprise Limited	1,176,178,056	1,067,422,974
	<b>Closing balance</b>	<b>5,185,732,502</b>	<b>4,009,554,446</b>
<b>13. Retirement benefit obligation-gratuity</b>			
	For the FY 2021-22, gratuity fund is maintained as a separate set of accounts		
	Opening balance	81,740,278	56,698,416
	Add: Provision made during the year	81,149,276	81,740,278
		162,889,554	138,438,694
	Less: Transferred to fund during the year	81,740,278	56,698,416
	Less: Payment made during the year	52,226,068	-
	<b>Closing balance</b>	<b>28,923,208</b>	<b>81,740,278</b>
<b>14. Deferred Income</b>			
	Deferred income has been recognised for the closing stock of donated goods and such goods are valued at realisable value.		
	Donated goods	127,386,111	70,865,945
		<b>127,386,111</b>	<b>70,865,945</b>
<b>15. Provision for income tax</b>			
	Opening balance	1,118,652,226	901,587,413
	Add: Provision made during the year	449,883,515	504,970,179
	Less: Adjustment	505,387,793	287,905,366
	<b>Closing balance</b>	<b>1,063,147,948</b>	<b>1,118,652,226</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

#### 16. Accounts and other payables

Payables to suppliers & others	465,521,552	893,179,754
Payables to staff gratuity account	-	12,625,121
Payables to SMC area offices for expense reimbursement	4,183,778	5,222,083
Payables to SMC (partner's) NGO's for reimbursement	14,006,719	16,355,276
Advance received from donor's	204,735,576	261,334,055
Security deposits from suppliers and contractors	20,172,174	27,580,562
Advance rent received from tenants (SMC Tower)	16,175,907	14,063,605
Staff Welfare Assistance (accumulated fund)	-	11,045,120
Security deposits from tenants (SMC Tower)	5,393,520	-
Liabilities for distributors' payment	1,384,502	
Payable for Gratuity Loan	699,551	
Shromik O Kormochary League	23,800	
Withholding tax and VAT on suppliers bill	33,793,280	15,619,280
Liabilities for expenses	112,158,309	80,897,951
Advance Collection from customers	300,366	-
Provision for Incentive & SWA	125,321,226	117,782,188
Payable to PF, GF & WPPF	15,743,122	8,208,246
Advance Trade VAT	-	38,115,063
Liability for inventory write off	9,425,893	15,952,947
Liabilities for UPAS LCs	1,443,474,722	-
Liabilities for supplies	-	425,586
Sales VAT payable	-	62,188,174
Payroll Tax payable	12,061	-
Current Account with ORS factory	7,706,162	7,078,818
<b>Total</b>	<b>2,480,232,220</b>	<b>1,587,673,831</b>

#### 17. Provision for Worker's Profit Participation Fund & Welfare Fund

Opening Balance	80,617,856	66,670,547
Add: Addition during the year	86,535,672	80,617,856
	<b>167,153,528</b>	<b>147,288,403</b>
Less: Paid during the year	80,617,856	66,670,547
	<b>86,535,672</b>	<b>80,617,856</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

#### 18. Security Deposits

Neptune Advertisers	111,790	111,790
Adway Publicity	288,916	288,916
Azad Art Hall	163,363	163,363
Aziz & Company Ltd.	96,330	34,000
Asiatic Marketing Communication Ltd	154,441	154,441
Magnum Eng. & Const. Ltd	1,186,448	1,186,448
Adcomm Ltd.	9,978	9,978
ACMEC Consortium Ltd.	108,000	108,000
Bitopi Advertising Ltd.	246,121	246,121
Asiatic Marketing Comm. Ltd.	10,610	10,610
Airy International	775,586	109,472
Transcom Electronics Ltd.	-	152,791
Cross World Power Ltd.	-	856,925
Nutech Construction Chemical Ltd	41,678	41,678
Mayer Dawua Thai Alominium Fabricator	37,501	37,501
Power property care service	8,375	8,375
Godhury Marketing Communication	595,108	595,108
Nexus Trading	396,366	396,366
Nodi Enterprize	94,500	94,500
Gray Advt.(BD) Ltd.	37,791	37,791
Nazma Construction Co.	1,373,504	1,373,504
ISE LTD.	64,780	64,780
Energypac Engg. Ltd.	-	1,842,872
Noor Ad.	72,000	72,000
Multi Product Engg. Ltd	-	643,874
Uranus Communication	183,000	183,000
OOH Leader & Printers	362,250	362,250
Confidence Trade Limited	198,768	-
ICEL Private Limited	447,431	-
THREE STAR ENGINEERING WORKS	237,506	-
Tarique Hasan & Associates Limited	48,104	-
Electro Mart Ltd.	233,976	-
GREY	31,433	31,433
Ogilvy & Mather Communication Pvt. Ltd	1,444	1,444
Paragon Ceramic Industries Ltd	167,290	167,290
Build Asia	728,855	728,855
Shamsuddin Mia & Associates Ltd.	5,920,508	2,151,510
Marn Steel Structure Ltd.	211,393	201,103
Base Technologies Ltd.	813,165	717,957
	<b>15,458,308</b>	<b>13,186,046</b>

#### 19. Lease Liabilities

Lease Liabilities (IFRS 16)		
Current portion	115,846,425	75,165,562
Non Current portion	335,173,341	234,661,568
<b>Total</b>	<b>451,019,766</b>	<b>309,827,130</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021
<b>20. Revenue</b>			
	Sales Revenue	12,420,083,415	10,707,099,410
	Less: Value added Tax	1,276,164,649	1,196,675,400
	Less: Sales Return	1,965,032	3,770,125
	Less: Discount on Sales	97,448,911	73,122,277
	<b>Total</b>	<b>11,044,504,823</b>	<b>9,433,531,607</b>
<b>21. Cost of goods sold</b>			
	Opening stock	1,157,207,699	612,719,167
	Add: Production cost (note 21.1)	6,607,258,871	6,191,007,951
	Add: Purchase during the year	111,444,724	129,903,974
	Less: Closing stock	1,054,113,978	1,157,207,699
	<b>Total</b>	<b>6,821,797,315</b>	<b>5,776,423,394</b>
<b>21.1 Production cost</b>			
	Consumption of raw materials	2,253,865,240	1,801,131,071
	Consumption of packing materials	1,191,674,544	930,915,337
	Factory Overhead	989,202,790	816,558,786
	Purchase of commodities during the year	2,188,256,653	2,645,486,382
	Opening work in process	13,551,676	10,468,050
	Less: Closing work in process	29,292,032	13,551,676
	<b>Sub-Total</b>	<b>6,607,258,871</b>	<b>6,191,007,951</b>
<b>22 Operating expenses</b>			
	Salaries and benefits	838,930,097	763,798,751
	Human Resource Supplier & Management	655,613	288,020
	Rent	45,582,769	51,684,115
	Electricity Bill	6,058,625	8,257,160
	GAS Bill	269,753	140,922
	Water Bill	289,348	205,368
	Internet Service	817,941	244,899
	Telephone Bill	14,070,204	12,546,656
	Bank & NBFI Service	3,741,731	2,561,041
	Office Supply	40,018,130	35,610,826
	Repairing & Servicing	7,744,660	10,030,811
	Legal and professional expenses	3,627,402	3,027,684
	Product Registration Fees	252,478	273,600
	Courier and Express Mail Service	661,588	570,896
	Govt. fees & Taxes	24,909,387	1,863,667
	Security service	13,091,652	12,607,513
	Fuel From Oil Marketing Companies	561,733	352,069
	Trade handling charges	111,800	116,600



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021
	Board Meeting Fees	4,768,930	3,270,796
	Recruitment Expenses	2,359,140	1,200,140
	Bad Debt Expenses	-	21,103
	Software & Hardware Support Services	8,873,703	1,700,400
	Entertainment	6,386,418	3,579,637
	Meeting & conference exp.	11,077,110	2,796,721
	Insurance Expenses (General)	13,640,749	10,371,981
	Life Insurance	2,349,386	1,785,948
	Inventory write off	3,902,547	12,822,060
	Audit fees	640,000	506,000
	Meal expenses	1,711,414	1,036,673
	Sample Expenses	614,991	250,649
	Health Scheme	10,428,573	577,629
	House Cleaning and Maintenance	1,240,568	6,620
	Uniform & Liveries	1,044,083	1,291,703
	BRTA Expenses (Tax, Fitness etc)	930,164	545,946
	Printing Expenses	5,087,643	197,900
	Fuel from Petrol Pump (Diesel, Octane etc.)	38,869,672	27,696,570
	Subscription on Trade & Professional Bodies (registered)	-	64,500
	Automobile Garage & Workshops	11,421,512	13,971,559
	Consulting & Supervisory Fees	2,424,721	540,000
	Interest Expenses	25,844,635	15,044,568
	Depreciation	209,748,264	168,099,633
	Travel and transportation	12,523,390	11,839,295
	Packaging materials expenses	2,037,337	5,490,188
	General operating expenses	84,462,585	80,974,916
	Municipal tax	4,994,450	4,218,588
	Advertisement	1,554,080	972,348
	Commodity expenses-Medicine	-	-
	Research and development	3,519,543	2,779,773
	Program expenses	1,056,477	1,502,648
	Staff development expenses	474,419	254,277
	<b>Total</b>	<b>1,475,381,415</b>	<b>1,279,591,366</b>

## 23 Selling & Distribution expenses

Advertisement Expenses	273,866,598	275,320,603
Promotional Expenses	124,370,842	126,747,337
Training Expenses	3,584,949	1,750,723
RMP/TBA/Seminar/GDS	-	267,668



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021
	Research & Development	3,242,690	6,363,747
	Incentive	59,616,386	58,802,056
	Official Traveling expenses	160,145,105	127,283,634
	Cartage & porter	85,373,147	55,505,464
	Transport Contractors	258,767,714	211,797,947
	Distribution expenses	144,284,414	97,216,566
	Fuel from Petrol Pump (Gas)	26,942,588	28,156,556
	Distribution-Labor wages	30,175,282	27,797,963
		<b>1,170,369,715</b>	<b>1,017,010,264</b>

#### 24. Program expenditure

Salary & benefits	109,315,155	55,587,310
Travel & transportation	20,376,281	10,198,329
Packaging materials	6,029,924	6,102,699
General operation expenses	108,213,709	39,964,110
Advertisement & promotion	102,676,629	75,648,037
Commodity/Medicine expenditure	29,396,588	19,328,731
Research & development	4,764,690	2,698,834
Depreciation	4,673,417	2,023,601
Supplies & equipment	19,927,405	20,739,811
Program expenditure	206,499,319	91,973,074
Program expenditure -partners'	144,293,814	111,707,593
<b>Total</b>	<b>756,166,931</b>	<b>435,972,130</b>

#### 25. Grants income

USAID	244,734,802	258,489,770
MMS/CIFF	177,393,899	41,316,574
ICDDR'B	53,491,752	9,527,258
FHI360	-	415,950
<b>Total</b>	<b>475,620,453</b>	<b>309,749,552</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-Jun-2022	30-Jun-2021

## 26. Other Income

Break-up of the above is as follows:

<b>A. Bank interest</b>			
Interest received on FDRs	151,409,768	278,503,313	
Interest received on STDs	4,669,160	6,684,447	
<b>Sub-Total</b>	<b>156,078,928</b>	<b>285,187,760</b>	
<b>B. Members' subscription</b>	<b>42,020</b>	<b>40,000</b>	
<b>C. Building rental Income (SMC &amp; SMC Tower-2)</b>	<b>102,788,036</b>	<b>88,900,086</b>	
<b>D. Miscellaneous income</b>			
Sale of scraps	5,596,882	9,051,108	
Gain/(loss) on sale of fixed assets	410,302	349,943	
Insurance claim	263,648	-	
Service charges through SMC Niltara clinic	19,883,237	7,638,372	
Sale of medicine -SMC Niltara & SMC Clinic	34,101,700	21,628,311	
Vehicle rental income from SMC staff	82,629	55,064	
Management fee	18,577,579	225,006	
Lease income	3,493,687	3,550,939	
Other income	805,896	2,991,873	
<b>Sub-Total</b>	<b>83,215,562</b>	<b>45,490,616</b>	
<b>Grand-Total (A+B+C+D)</b>	<b>342,124,546</b>	<b>419,618,462</b>	

## 27. Deferred Tax (Income)/ Expense (SMC Enterprise)

Closing balance of Deferred tax liability	46,480,427	28,364,833
Opening Balance of Deferred tax liability	(28,364,832)	(40,299,361)
<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>18,115,595</b>	<b>(11,934,528)</b>

### 27.1 Deferred tax liability

Deferred tax liability has been recognised in accordance with the provision of IAS 12 (Income tax) based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and their tax base.

Opening balance	(28,364,832)	(40,299,361)
Add: Addition during the year	(18,115,595)	11,934,529
<b>Closing balance</b>	<b>(46,480,427)</b>	<b>(28,364,832)</b>



## 28. Deferred tax assets/ liabilities (Social Marketing Company-SMC)

Deferred tax assets/liability has been recognized in accordance with the provision of IAS-12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and its tax base.

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
<b>As at 30 June 2022</b>			
Property, plant and equipment -	577,013,141	541,639,982	35,373,159
Permanent difference for Vehicle	-	-	-
			35,373,159
Gratuity provision	(15,743,122)		(15,743,122)
Taxable temporary difference			19,630,037
Applicable tax rate			30.00%
<b>Deferred tax liability</b>			<b>5,889,011</b>
Unabsorbed depreciation	-	525,900,000	525,900,000
Deductible temporary difference			525,900,000
Applicable tax rate			30.00%
<b>Deferred tax assets</b>			<b>157,770,000</b>
<b>As at 30 June 2021</b>			
Property, plant and equipment -	645,828,108	598,172,100	47,656,008
Permanent difference for Vehicle	(2,414,000)	-	(2,414,000)
			45,242,008
Gratuity provision	(12,625,121)		(12,625,121)
Taxable temporary difference			32,616,887
Applicable tax rate			30.00%
<b>Deferred tax liability</b>			<b>9,785,066</b>

Amount in BDT	
As at & for the year ended	
30-Jun-2022	30-Jun-2021

### 28.1 Deferred tax (income)/ expense

Closing balance of deferred tax liability	5,889,011	9,785,066
Opening Balance of deferred tax liability	(9,785,066)	-
<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>(3,896,055)</b>	<b>9,785,066</b>

Note: For assessment years (2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2016-2017, 2018-2019 ) "Income from Business and Profession U/S 28 & 29" were assessed as losses by tax authorities/ through return (U/S 82BB). As per ITO 1984 (U/S 42), unabsorbed depreciation due to business can be carried forward for succeeding years and can be charged against business income. SMC has unabsorbed depreciaton amounting BDT 52.59 crore which will be utilized for future business income (if any). Unabsorbed depreciation is a deductible temporary difference and will create a deferred tax assests amounting BDT 15.78 crore as deferred tax assets. Due to nature of the company operations (Not for profit), there is an uncertainty of adjusting accumulated unabsorbed depreciation in near future, following the conservatism principle, management decided not to recognize deferred tax in finanical statements.

## 29. Event after the reporting period

No material events had occurred after the reporting period, which could affect the values as stated in the financial statements.



**Social Marketing Company**  
**Details of Consolidated property, plant and equipment**

As at 30 June 2022

Annexure - A

Particulars	Cost			Depreciation				Written down value as at 30 June 2022
	Balance at 01 July 2021	Addition during the year	Sales/ adjustment during the year	Balance at 30 June 2022	Rate	Charged during the year	Sales/ adjustment during the year	Balance at 30 June 2022
	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka
Land	962,097,688	50,357,011	-	1,012,454,699	-	-	-	1,012,454,699
Building	1,259,054,784	12,931,134	-	1,271,985,918	2.5&10	44,397,375	-	273,945,073
Lift	75,511,630	23,531,582	1	99,043,210	20	3,640,938	-	70,705,488
Power Sub-Station	153,164,007	3,011,469	32,910,398	123,265,078	20	12,807,429	32,834,121	89,174,526
Fire Control System	71,807,856	1,271,274	15,062,867	58,016,263	20	8,457,267	15,062,864	43,781,310
Central warehouse equipment	19,839,694	16,701,400	4,896,698	31,644,396	10	2,695,317	3,797,805	13,992,506
Central A/C System	247,615,572	2,214,079	1,753,537	248,076,114	20	11,117,212	1,753,533	223,333,011
Diesel reservoir	615,692	-	-	615,692	20	85,920	-	567,791
Deep Tubewell (Factory)	1	-	-	1	15	-	-	-
Plant & Machinery	882,054,660	326,557,445	20,011,495	1,188,600,610	10	105,414,038	14,233,150	405,959,906
QC Equipment	48,844,280	8,796,338	672,455	56,968,163	10	5,630,598	394,403	14,345,673
Furniture & Fittings	73,684,748	10,940,597	6,782,377	77,842,968	10	7,121,075	3,401,086	29,520,967
Vehicles	192,403,737	2,859,427	15,590,316	179,672,848	20 & 25	16,856,742	14,868,072	155,642,012
Other Equipment	267,703,344	167,000	31,256,762	236,613,582	20	27,432,892	31,489,734	218,755,330
Office Equipment	118,078,483	35,758,162	11,963,179	141,873,466	20	23,046,532	6,297,085	70,611,573
Water treatment plant	3,635,417	-	-	3,635,417	15	363,542	-	1,729,070
Renovation & Decoration	-	2,800,487	-	2,800,487	10	82,288	-	82,288
<b>Total</b>	<b>4,376,111,591</b>	<b>497,897,405</b>	<b>140,900,085</b>	<b>4,733,108,912</b>		<b>269,149,165</b>	<b>124,131,852</b>	<b>1,612,146,523</b>
<b>Intangible assets (Software)</b>	<b>14,133,757</b>	<b>3,803,614</b>	<b>699,232</b>	<b>17,238,139</b>	-	<b>3,182,435</b>	-	<b>9,335,029</b>
<b>Right of use (ROU) assets</b>	<b>412,898,625</b>	<b>257,759,494</b>	-	<b>670,658,119</b>		<b>119,462,663</b>	-	<b>209,290,825</b>
<b>Total-(2021-2022)</b>	<b>4,803,143,973</b>	<b>759,460,513</b>	<b>141,599,317</b>	<b>5,421,005,169</b>		<b>391,794,263</b>	<b>124,131,852</b>	<b>1,830,772,377</b>
<b>Total-(2020-2021)</b>	<b>4,061,739,231</b>	<b>372,118,749</b>	<b>57,746,388</b>	<b>4,376,111,591</b>	-	<b>263,349,301</b>	<b>3,416,621</b>	<b>1,467,129,210</b>
								<b>2,908,982,381</b>





# **Auditor's Report and Standalone Financial Statements**

SMC



**Independent Auditor's Report  
To the Members of  
Social Marketing Company**

ম্যাবস এন্ড জে পার্টনার্স  
**MABS & J Partners**  
Chartered Accountants

**Opinion**

We have audited the accompanying financial statements of Social Marketing Company, which comprise the statement of financial position as at 30 June 2022, statement of income and expenditure, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of Social Marketing Company, as at 30 June 2022 and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), comply with the Companies Act 1994, and other applicable Laws and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**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's 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 gives a true and fair view.

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

#### **Report on Other Legal and Regulatory Requirements**

We also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. The Statement of Financial Position and Statement of Income and Expenditure of the Company dealt with by the report are in agreement with the books of account.

**Dhaka, Bangladesh**  
**Dated: 21 December, 2022**

**Signed for & on behalf of**  
**MABS & J Partners**  
**Chartered Accountants**

**Ummay Sumaya Jahan FCA, ACMA**  
**(UK), CGMA, Partner**  
**ICAB Enrollment No: 1818**  
**DVC: 2212211818AS578168**



**Social Marketing Company**  
**Statement of Financial Position**  
**As at 30 June 2022**

Particulars	Notes	30-June-2022	30-June-2021
		BDT	BDT
Assets			
Non-current assets			
Property, plant and equipment	4	857,909,701	874,133,545
Intangible Assets	4.2	555,268	-
Finance lease receivable	5.1	337,746,502	343,586,617
Investment in subsidiary	6	389,999,800	389,999,800
Total Non-current assets		1,586,211,271	1,607,719,962
Current assets			
Finance lease receivable	5.2	5,840,113	5,782,290
Inventories	7	141,158,792	101,405,593
Accounts and other receivables	8	109,146,305	141,356,769
Advance, deposits and prepayments	9	369,520,038	315,864,101
Investment in fixed deposits	10	1,575,273,376	1,582,121,307
Cash and cash equivalents	11	501,374,111	564,757,382
Total current assets		2,702,312,735	2,711,287,442
Total assets		4,288,524,006	4,319,007,404
Equity & liabilities			
Equity			
Capital fund	12	3,396,313,929	3,405,589,972
Total equity		3,396,313,929	3,405,589,972
Liabilities			
Non-current liabilities			
		-	-
Current liabilities			
Provision for income tax	13	299,531,137	304,353,398
Accounts and other payables	14	465,292,829	538,198,089
Deferred income	15	127,386,111	70,865,945
Deferred tax liability	16	-	-
Total current liabilities		892,210,077	913,417,432
Total equity and liabilities		4,288,524,006	4,319,007,404

This financial statement should be read in conjunction with annexed notes



Tapan Bala FCMA FCA  
Chief Financial Officer



Toslim Uddin Khan  
Managing Director & CEO (Acting)



Waliul Islam  
Chairman

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants



**Ummay Sumaya Jahan**  
FCA, ACMA (UK), CGMA  
Partner

Enrollment No.: 1818  
DVC:2212211818AS578168

Dhaka, Bangladesh  
Dated: 21 December, 2022




**Social Marketing Company**  
**Statement of Income and Expenditure**  
**For the year ended 30 June 2022**

Particulars	Notes	30- June-2022	30- June-2021
		BDT	BDT
<b>Income</b>	17	1,197,682,578	926,978,717
<b>Expenditure:</b>			
Salary and benefits	18	264,270,199	201,300,066
Travel expenditure	19	32,899,671	22,037,624
Packaging materials	20	8,067,261	11,592,888
General operating expenses	21	192,676,294	120,939,026
Municipal Tax		4,994,450	4,218,588
Advertisement	22	104,230,709	76,620,385
Commodity/Medicine expenses	23	146,498,987	110,263,398
Research and development	24	8,284,233	5,478,607
Program expenditure	25	371,777,015	225,923,126
Depreciation (Annexure-A)		47,528,993	60,356,413
Staff development expenditure	26	474,419	254,277
<b>Total Expenditure</b>		<b>1,181,702,231</b>	<b>838,984,398</b>
<b>Gross Surplus/(Deficit) before tax</b>		<b>15,980,347</b>	<b>87,994,319</b>
Income tax expense			
Current tax expense		(25,256,390)	(28,719,917)
Deferred tax (income)/expense	16	-	-
		<b>(25,256,390)</b>	<b>(28,719,917)</b>
<b>Net Surplus/(Deficit) after tax</b>		<b>(9,276,043)</b>	<b>59,274,402</b>

These financial statements should be read in conjunction with annexed notes.


  
Tapan Bala FCMA FCA  
Chief Financial Officer

  
Toslim Uddin Khan  
Managing Director & CEO (Acting)

  
Waliul Islam  
Chairman

Dhaka, Bangladesh  
Dated: 21 December, 2022

Signed for & on behalf of  
MABS & J Partners  
Chartered Accountants

  
**Ummay Sumaya Jahan**  
FCA, ACMA (UK) , CGMA  
Partner  
Enrollment No.: 1818  
DVC:2212211818AS578168



**Social Marketing Company**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

Particulars	Capital fund
	BDT
<b>Balance as at 30 June 2022:</b>	
Balance as at 01 July 2021	3,405,589,972
Add: Net surplus/(deficit) after tax	(9,276,043)
<b>Balance as at 30 June 2022</b>	<b>3,396,313,929</b>
<b>Year ended 30 June 2021:</b>	
Balance as at 01 July 2020	3,380,897,939
Less: Capital expenditure of USAID Cash Fund excluded from Fixed Assets Register (FAR)	(34,582,369)
Add: Net surplus/(deficit) after tax	59,274,402
<b>Balance as at 30 June 2021</b>	<b>3,405,589,972</b>



Tapan Bala FCMA FCA  
Chief Financial Officer



Toslim Uddin Khan  
Managing Director & CEO (Acting)



Waliul Islam  
Chairman

**Dhaka, Bangladesh**  
**Dated: 21 December, 2022**





**Social Marketing Company**  
Statement of Cash Flows  
For the year ended 30 June 2022

Particulars	30-Jun-22 BDT	30-June-2021 BDT
<b>A. Cash flows from operating activities</b>		
Cash received from customers	320,603,208	205,058,293
Income from other sources	175,822,686	118,084,957
<b>Total Received</b>	<b>496,425,894</b>	<b>323,143,250</b>
Salary and benefits	263,842,355	200,291,896
Travel and transportation	31,555,730	20,151,798
General operating expenses	201,229,399	132,226,712
Advance, deposit etc.	252,800,444	36,300,276
Advertisement	89,929,087	42,822,934
Research and development	6,705,978	3,400,261
Staff development expenditure	474,419	254,277
Program expenditure	201,128,157	72,178,864
Commodity expenses (SMC products & medicines)	140,841,312	145,680,545
<b>Total Payment</b>	<b>1,188,506,880</b>	<b>653,307,564</b>
<b>Net cash Used in / Generated from Operating activities</b>	<b>(692,080,986)</b>	<b>(330,164,314)</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(32,247,430)	(121,358,177)
Proceeds from sale of property, plant and equipment	50,089	240,808
Dividend (subsidiary)	136,499,930	49,999,900
Investment in Banks & NBFIs	(3,471,815)	(57,825,819)
Interest on FDR & savings accounts of Bank	101,558,526	240,518,947
<b>Net cash used in investing activities</b>	<b>202,389,301</b>	<b>111,575,659</b>
<b>C. Cash flows from financing activities</b>		
Finance Lease	3,493,687	3,550,939
Grants (USAID, GAIN/CIFF, ACTB)	422,814,727	441,477,310
<b>Net cash used in financing activities</b>	<b>426,308,414</b>	<b>445,028,249</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(63,383,271)</b>	<b>226,439,594</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>564,757,382</b>	<b>338,317,788</b>
<b>Cash and cash equivalents at end of the year</b>	<b>501,374,111</b>	<b>564,757,382</b>

Tapan Bala FCMA FCA  
Chief Financial Officer

Toslim Uddin Khan  
Managing Director & CEO (Acting)

Waliul Islam  
Chairman

Dhaka, Bangladesh  
Dated: 21 December, 2022





**Social Marketing Company**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

**1 Organization and its activities**

Social Marketing Company (SMC) ("the Company") is a not-for-profit company incorporated in Bangladesh in April 1990 as per section 26 of the Companies Act, 1913 which subsequently comes under the jurisdiction of Section 28 of the Companies Act, 1994 and is involved in the reproductive, health and nutrition programs of the country. It is funded by Donors such as USAID, GAIN/CIFF, icddr/b/ACTB etc. through cash and contraceptive items and utilise of SMC's resources. SMC formed SMC Enterprise Ltd, a for-profit subsidiary to separate profitable operations from non-profit activities in October 2014. Social Marketing Company ("SMC") is registered with the Registrar of Joint Stock Companies and Firms vide registration no. CTO-284(3)/90 dated 19-04-1990 and SMC Enterprise Limited ("SMCEL") is also registered with the Registrar of Joint Stock Companies and Firms vide registration no. L-30001503052-H.

**2 Basis of preparation of financial statements**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and donors regulations.

IFRSs are designed to apply to general purpose financial statements and other financial reporting of all profit-oriented entities. The Company is not a profit oriented entity. As such it is not possible to comply with all the requirements of IFRSs. However, the Company adopted the IFRSs so far it is possible to comply without any contradiction to the local laws, as its reporting framework.

**2.2 Measurement of the elements in the financial statements**

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and statement of income and expenditure. The measurement basis adopted by Social Marketing Company is historical cost. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

**The complete set of Financial Statements includes the following components:**

- Statement of Financial Position as at 30 June 2022
- Statement of Income and Expenditure for the year ended 30 June 2022
- Statement of Changes in Equity for the year ended 30 June 2022
- Statement of Cash Flows for the year ended 30 June 2022; and
- Notes to the Financial Statements for the year ended 30 June 2022

**2.3 Functional and presentational currency**

These financial statements are prepared in Bangladesh Taka (BDT), which is the Company's functional currency as well. All financial information presented in BDT has been rounded to the nearest integer.

**2.4 Use of estimates and judgments**

The preparation of these financial statements in conformity with IFRSs requires management to make 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 those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.



**Social Marketing Company**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Note - 4 Depreciation of property, plant and equipment
- Note - 7 Inventories
- Note - 13 Provision for income tax
- Note - 16 Deferred tax assets/ liabilities

**2.5 Statement of cash flows**

The statement of cash flows has been prepared in accordance with the International Accounting Standard (IAS) 7: Statement of cash flows, under direct method.

**2.6 Reporting period**

The accounting period of the Company has been determined to be from 1 July to 30 June each year. These financial statements cover twelve months from 1 July 2021 to 30 June 2022.

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently.

**3.1 Revenue**

**3.1.1 Commodities sold**

Sales are recognized when all of the following conditions are fulfilled:

- SMC has transferred the significant risks and rewards of ownership of the products to the retailers;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of sales can be measured reliably; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

**3.1.2 Revenue from the sale of donated goods**

The policy of the Company is to sell its USAID donated products at subsidized prices. Revenue from sale of donated products is recognised after due approval is received from donors.

**3.1.3 Grants income in the form of cash donation**

Grants income in the form of cash donation is generated from fund provided by foreign donor(s) for program expenditures. It is reimbursement of actual expenditure as approved by donor.

**3.1.4 Other income**

Gains and losses on sale of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. Interest accrued and earned on fixed deposits, is recognized as income. Rental income accrued and earned from house property is recognized as income.

**3.2 Inventories**

Donated Commodities received through USAID and GAIN have been valued at realizable value and corresponding unearned revenue has been recognized. The procured commodities are valued at average invoice price which includes C&F charges and other costs.



**Social Marketing Company**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

**3.3 Property, plant and equipment**

**3.3.1 Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Threshold of Tk. 5,000.00 has been fixed for recognition of fixed assets. Immaterial items which are capital in nature are booked as expenses.

**3.3.2 Subsequent expenditure**

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

**3.3.3 Depreciation**

Depreciation is charged on property, plant and equipment (except Land) using straight line method over the estimated useful life of each item of property, plant and equipment. Depreciation on addition to property, plant and equipment is charged from the date when assets **are** put into use for commercial operation. No depreciation is charged on the assets from the month on which such assets are disposed. The rates are as follows:

<b>Asset category</b>	<b>Rate (%)</b>
Building	2.5 to 10
Lift	20
Power sub-station and generator	20
Fire control system	20
Central A/C system	20
Furniture and fittings	10
Vehicles	25
Office equipment	20
Other equipment	20

**3.3.4 Impairment**

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognized in the statement of income and expenditure if the carrying amount of an asset exceeds its estimated recoverable amount. However, no such conditions that would arise the risk of impairment of assets existed at the reporting date.

**3.3.5 Capital expenditure of donor's funded projects**

Property Plant and Equipment (PPE) procured through donors fund are obligatory assests for the company. Capital expenditure for donor funded program are reported to respective donors based on incurrance of actual expenditure. SMC records these expenditure as program expenditure. To ensure control over the capital expenditure which qualifies fixed assets criteria are record in seperate fixed asset register. Depreciation is not charged to these capital expenditure till completion of program period. At the end of the project period, donor decide about usages of remaining fixed assets. SMC records these fixed assets in its own Fixed Assets Register with the appropriate consideration value/market value.



**Social Marketing Company**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

**3.4 Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**3.4.1 Financial assets**

The Company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the transaction.

The Company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets include cash and cash equivalents, investment, interest and other receivables.

**3.4.1.1 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and at banks which are held and available for use by the company.

**3.4.1.2 Receivables**

The accounts and other receivables includes receivables from SMC Enterprise Ltd. (Subsidiary of SMC) and other miscellaneous receivables.

**3.4.2 Financial liability**

All other financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include accrued expenses, other liabilities and creditor for other finance.

**3.5 Impairment of financial assets**

**3.5.1 Financial assets**

A financial asset not carried at fair value through gain or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company.

**3.6 Foreign currency translations**

Transactions in foreign currencies are translated to Bangladesh Taka (BDT) currency at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the year. Resulting exchange differences are recognized in the statement of income and expenditure.



**Social Marketing Company**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

**3.7 Employee benefits**

**3.7.1 Short term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

**3.7.2 Defined contribution plan (provident fund)**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company maintains a recognized provident fund. This fund is also recognized by the NBR and its operation managed by the Trustees.

**3.7.3 Defined benefits plan (gratuity)**

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The Company has funded gratuity fund. The Employees' Gratuity Fund is being considered as defined benefit plan as it meets the recognition criteria of IAS-19 Employee Benefits. The Company's obligation is to provide the agreed benefits to current employees as per condition of the fund. This fund is also recognized by the NBR and its operation managed by the Trustees.

The Company operates a gratuity scheme for its permanent employees; provision for gratuity is made annually against the following:

**Gratuity** (1 Gratuity = 1 basic for each year of service)

Management Employee: Service less than 10 Years -1 gratuity and 10 Years & above -1.5 gratuity

Graded Employee: Service 1 to 4 Years -1 gratuity , 5 to 8 Years- 1.5 gratuity , 9 Years and above -2 gratuity

**Ex-gratia for graded employee:** (1Ex-gratia=Basic+House Rent+Medical allowance per month)

10 Years of service = 3.15 Ex-gratia , 11 Years of service = 2.85 Ex-gratia , 12 Years of service = 2.60 Ex-gratia, 13 Years of service = 2.30 Ex-gratia , 14 Years of service = 2.00 Ex-gratia , 15 Years of service = 1.70 Ex-gratia, 16 Years of service = 1.45 Ex-gratia, 17 Years of service = 1.15 Ex-gratia, 18 Years of service = 0.85 Ex-gratia, 19 Years of service = 0.55 Ex-gratia, 20 Years of service = 0.30 Ex-gratia and 21 Years of service & above = No Ex-gratia.

**3.7.4 Staff welfare assistance (SWA)**

Under the existing principle of treating the employees of two entities (SMC & SMC EL) as one SMC, to ensure uniformity between the employees of both companies. Staff of SMC will receive "Staff Welfare Assistance" as similar practice of WPPF of SMC EL. Staff of SMC will get the full amount of declared WPPF of SMC EL and applicable tax burden will be borne by the Company.

**3.7.5 Group Insurance**

The company has a Group insurance policy which cover accidental loss/injury of all employees during their employment with the company. In the event of death while being employed by the company, insurance benefit will be paid to his/her nominee.

**3.8 Provisions for Liabilities**

Provisions are recognized in the statement of financial position when the Company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

**3.8.1 Provision for income tax**

Corporate income tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates incurred or substantively incurred at the reporting date, and any adjustment to tax payable in respect of previous years.



**Social Marketing Company**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2022**

**3.9 Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues, using the effective interest method. Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

**3.10 Finance lease: Lessor**

The Company leased out land and building (schedule of land and building includes at Bhaluka, Cumilla, Khulna and Bogura) to SMC Enterprise Limited with a total value of BDT.363,582,381 on a yearly lease payment of BDT.9,275,979 including the finance expense of 1% on the outstanding balance for a tenure upto the year 2068 under finance lease. As per IFRS-16, with the company as a lessor, the present value of the lease payments are recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. The lease income is recognised over the lease term using the net investment method, which reflects a constant periodic rate of return.

**3.11 Income tax**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of income and expenditure except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. SMC qualifies as a "Private Limited Company" hence the applicable tax rate is 30%.

**Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

**3.12 Events after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting event are disclosed in the notes when material.

**3.13 Comparatives and rearrangement**

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged or reclassified whenever considered necessary to conform current year's presentation.



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

#### 4. Property, plant and equipment

Opening Balance	1,328,476,409	1,260,886,173
Add: Addition during the year	38,852,119	121,855,467
Less: Sales/Adjustments during the year	(44,311,883)	(54,265,231)
Less: Accumulated depreciation (note 4.1)	(465,106,944)	(454,342,864)
<b>Total</b>	<b>857,909,701</b>	<b>874,133,545</b>

Cost of Property Plant and Equipment included capital expenditure of donor funded program which has been corrected in FY 2020-21 amounting to BDT. 52,591,122/-.

##### 4.1 Accumulated depreciation

Opening Balance	454,342,865	395,186,423
Add: Charged during the year	47,449,195	60,356,413
Less: Sales/adjustments during the year	(36,685,117)	(1,199,972)
<b>Sub - total</b>	<b>465,106,944</b>	<b>454,342,864</b>

Details are in Annexure-A

##### 4.2 Intangible Assets

Opening Balance	-	-
Add: Addition during the year	1,334,298	-
Less: Sales/Adjustments during the year	(699,232)	-
Less: Accumulated depreciation	(79,798)	-
<b>Total</b>	<b>555,268</b>	<b>-</b>

Details are in Annexure-A

#### 5. Finance lease receivable

Opening Balance	349,368,907	355,093,947
Less: Adjusted during the year	(5,782,292)	(5,725,040)
<b>Total</b>	<b>343,586,616</b>	<b>349,368,907</b>

##### 5.1 Non-Current :

Above 1 year but up to 5 years	30,088,351	32,844,187
Above 5 years	307,658,151	310,742,429
<b>Sub-total</b>	<b>337,746,502</b>	<b>343,586,617</b>

##### 5.2 Current :

Up to 1 year	5,840,113	5,782,290
<b>Sub-total</b>	<b>5,840,113</b>	<b>5,782,290</b>

#### 6. Investment in subsidiary

Name of Shareholders	No. of shares	Face value	BDT	BDT
Represented by Mr. Muhammed Ali, Board of director	3,899,998	100	389,999,800	389,999,800
	<b>3,899,998</b>		<b>389,999,800</b>	<b>389,999,800</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

## 7. Inventories

### a. Donor products (USAID) :

SOMA-JECT	58,871,036	31,107,162
Sayanapress	3,261,760	7,923,440
Relax ( IUD )	111,937	276,397
i-Plant ( Implant )	823,050	592,950
<b>Sub- total</b>	<b>63,067,783</b>	<b>39,899,949</b>

### b. Donor product (GAIN/CIFF) FullCare :

<b>19,522,581</b>	<b>1,791,504</b>
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### c. SMC products:

SOMA-JECT	9,370,352	16,113,284
Pregnancy Test Kit	17,295	878,934
Quick Test	371,200	-
SMC Zinc	7,637,981	4,880,995
MoniMix	21,214,910	18,855,608
MoniMix Plus	5,229,416	7,577,544
Easy Clean (Paper Soap)	186,038	516,700
Vermicid	4,228,365	5,073,583
SDK (Safe delivery kits)	1,521,273	1,537,856
<b>Sub - total</b>	<b>49,776,830</b>	<b>55,434,504</b>

### Total (a+b+c) (annexure-B)

<b>132,367,194</b>	<b>97,125,957</b>
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### d. Pharmacy products (SMC Clinic and SMC Niltara Clinic)

8,791,598	4,279,636
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### Total (a+b+c+d)

<b>141,158,792</b>	<b>101,405,593</b>
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## 8. Accounts and other receivables

Receivable from SMC EL	51,732,337	76,027,382
Interest income from Banks and NBFIs	53,633,725	61,948,172
Receivable from tenants (Utilities)	1,453,651	2,052,539
Receivable for staff medical check up bills	1,828,342	541,695
BRAC Bank -credit card settlement	498,250	618,123
Interest receivables from Bank (Staff Welfare Assistance)	-	168,858
<b>Total</b>	<b>109,146,305</b>	<b>141,356,769</b>

### 8.1 Vendor's account -SMC EL (potential share)

Opening balance	-	290,000,000
Less: Allotted new 29.00 lac shares on August 16, 2020	-	(290,000,000)
<b>Sub - total</b>	<b>-</b>	<b>-</b>

As per addendum to the original Vendor's agreement , SMC Enterprise Limited will issue shares to SMC for Tk 340,000,000 in phases for the property and stocks acquired from SMC. SMC EL issued 500,000 shares of Tk 50,000,000 for the year ended 30 June 2017. SMC EL issued rest of the 29,00,000 shares of Tk 290,000,000 on August 16, 2020.



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

## 9. Advance, deposits and prepayments

### a. Advance

Advance for office rent	24,000	-
Bank guarantee- Progati Insurance Ltd.	200,000	200,000
Advance to employee against expenses & TA/DA	1,346,851	4,657,982
Vehicle loans (note 9.1)	14,961,706	14,534,821
Advance against import (Lifts for SMC Tower-2)	562,000	16,801,542
Advance to ACTB project (short time advance)	6,000,000	-
Advance to SMC Employees PF (Loan to PF )	2,032,891	-
Advance to area offices	30,875,084	9,541,506
Advance to contractors	31,293,439	21,986,944
Advance income tax (note 9.2)	280,255,012	246,506,253
<b>Sub-Total</b>	<b>367,550,983</b>	<b>314,229,047</b>

### b. Security deposits

Deposits against / with:

Bangladesh Telecommunications Company Limited	284,290	284,290
Grameenphone Limited	-	11,451
Dhaka Electric Supply Authority	482,000	482,000
Alpine Fresh Water System Ltd.	19,500	19,500
General Post Office	-	48,000
BRAC for OCP purchase	-	50,000
<b>Sub-Total</b>	<b>785,790</b>	<b>895,241</b>

### c. Prepayments

Insurance premium	1,183,265	739,813
<b>Sub-Total</b>	<b>1,183,265</b>	<b>739,813</b>
<b>Total</b>	<b>369,520,038</b>	<b>315,864,101</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

#### 9.1 Vehicle loans

The loan was given by the Company to its employees to increase their operational efficiency. Entire amount is receivable against motor car/motorbike loan under this scheme through a fixed number of installments.

The movement is as under:

Opening balance	14,534,821	14,109,781
Add: Loan given during the year	4,834,910	4,931,555
	19,369,731	19,041,336
Less: Adjusted/realised during the year	4,408,025	4,506,515
<b>Closing balance</b>	<b>14,961,706</b>	<b>14,534,821</b>

#### 9.2 Advance income tax

Opening balance	246,506,253	241,523,554
Add: Advance tax paid during the year	59,005,149	33,702,616
	305,511,402	275,226,170
Less: Adjusted for the year	25,256,390	28,719,917
<b>Closing balance</b>	<b>280,255,012</b>	<b>246,506,253</b>

### 10. Investment in fixed deposits

This represents fixed deposits with Banks and NBFIs:

a. Banks	756,066,470	793,853,545
b. Non-Banking Financial Institutions (NBFIs)	819,206,906	788,267,762
<b>Total</b>	<b>1,575,273,376</b>	<b>1,582,121,307</b>

### 11. Cash and cash equivalents

a. Cash in hand	250,000	250,000
b. Cash at banks	501,124,111	564,507,382
<b>Total</b>	<b>501,374,111</b>	<b>564,757,382</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021
<b>12. Capital fund</b>			
	Opening balance	3,405,589,972	3,380,897,939
	Add: Transferred from statement of income and expenditure	(9,276,043)	59,274,402
	Less: Capital expenditure of USAID Cash fund excluded from Fixed Assets Register (FAR)	-	(34,582,369)
	<b>Closing balance</b>	<b>3,396,313,929</b>	<b>3,405,589,972</b>
<b>13. Provision for income tax</b>			
	Opening balance	304,353,398	304,353,398
	Less: Current year's adjustment	(4,822,261)	-
	<b>Closing balance</b>	<b>299,531,137</b>	<b>304,353,398</b>
<b>14. Accounts and other payables</b>			
<b>a. Accounts payable:</b>			
	Payable to suppliers & others	75,637,438	95,258,249
	Payable to subsidiary (SMC EL)	93,383,124	75,160,860
	Payable to staff gratuity fund	15,743,122	12,625,121
	Payable for accrued expenses (Incentive & SWA)	18,369,009	24,870,753
	Payable to SMC area offices for expense reimbursement	1,257,319	5,077,653
	Payable to SMC (partners) NGO's for reimbursement	14,006,719	11,182,106
	<b>Sub-total</b>	<b>218,396,731</b>	<b>224,174,742</b>
<b>b. Other payables:</b>			
	Advance received from donors	204,735,574	261,334,060
	Security deposits from suppliers and contractors	20,172,174	27,580,562
	Advance rent security deposits received from tenants (SMC Tower)	21,569,427	14,063,605
	Staff Welfare Assistance (accumulated fund)	-	11,045,120
	Withhold TAX	1,834	-
	Trade VAT	417,089	-
	<b>Sub-total</b>	<b>246,896,098</b>	<b>314,023,347</b>
	<b>Total (a+b)</b>	<b>465,292,829</b>	<b>538,198,089</b>
<b>15. Deferred income</b>			
	Deferred income represents the closing stock of donated goods of USAID, GAIN/CIFF and such goods are valued at realisable value. (Details are given in Annexure-B)		
<b>a. USAID donated products:</b>			
	Opening balance	39,899,949	63,171,331
	Add: Goods received during the year	128,600,899	77,148,447
	Less: Goods sold during the year	(105,433,065)	(100,419,829)
	<b>Closing balance</b>	<b>63,067,782</b>	<b>39,899,949</b>
<b>b. USAID-PI-sales deferred during the year</b>		-	29,174,492
	<b>Sub-Total (a+b)</b>	<b>63,067,782</b>	<b>69,074,441</b>
<b>c. CIFF/GAIN donated products:</b>			
	Opening balance	1,791,504	1,791,504
	Add: Goods received during the year	64,208,496	-
	Less: Goods sold during the year	(46,477,419)	-
	<b>Closing balance</b>	<b>19,522,581</b>	<b>1,791,504</b>
<b>d. CIFF/GAIN -PI-sales deferred during the year</b>		44,795,748	-
	<b>Sub-Total (c+d) CIFF/GAIN PI</b>	<b>64,318,329</b>	<b>1,791,504</b>
	<b>Total deferred income (a+b+c+d)</b>	<b>127,386,111</b>	<b>70,865,945</b>



## 16. Deferred tax assets/ liabilities

Deferred tax Assets/liability has been recognized in accordance with the provision of IAS-12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and its tax base.

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
<b>As at 30 June 2022</b>			
Property, plant and equipment -	577,013,142	541,639,982	35,373,160
	-	-	-
Gratuity provision	(15,743,122)		35,373,160
Taxable temporary difference			(15,743,122)
Applicable tax rate			19,630,038
<b>Deferred tax liability</b>			30.00%
			<b>5,889,011</b>
Unabsorbed depreciation	-	525,900,000	525,900,000
Deductible temporary difference			525,900,000
Applicable tax rate			30.00%
<b>Deferred tax assets</b>			<b>157,770,000</b>
<b>As at 30 June 2021</b>			
Property, plant and equipment -	645,828,108	598,172,100	47,656,008
Permanent difference for Vehicle	(2,414,000)	-	(2,414,000)
Gratuity provision	(12,625,121)		45,242,008
Taxable temporary difference			(12,625,121)
Applicable tax rate			32,616,887
<b>Deferred tax liability</b>			30.00%
			<b>9,785,066</b>

### 16.1 Deferred tax (income)/ expense

	As at & for the year ended	
	30-June-2022	30-June-2021
Closing balance of deferred tax liability	5,889,011	9,785,066
Opening Balance of deferred tax liability	9,785,066	-
<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>(3,896,055)</b>	<b>9,785,066</b>

Note: For assessment years (2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2016-2017, 2018-2019 ) "Income from Business and Profession U/S 28 & 29" were assessed as losses by tax authorities/ through return (U/S 82BB). As per ITO 1984 (U/S 42), unabsorbed depreciation due to business can be carried forward for succeeding years and can be charged against business income. SMC has unabsorbed depreciaton amounting BDT 52.59 crore which will be utilized for future business income (if any). Unabsorbed depreciation is a deductible temporary difference and will create a deferred tax assests amounting BDT 15.78 crore as deferred tax assets. Due to nature of the company operations (Not for profit), there is an uncertainty of adjusting accumulated unabsorbed depreciation in near future, following the conservatism principle, management decided not to recognize deferred tax in financial statements.



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

## 17. Income

### A. Sales revenue

1 Sales revenue from USAID donated products (Note 17.1)	162,506,337	97,981,880
2 Sales revenue from CIFF/GAIN products (Note 17.2)	-	-
3 Sales revenue from SMC products (Note 17.3)	142,475,615	107,076,413
<b>Sub-total</b>	<b>304,981,952</b>	<b>205,058,293</b>

### B. Grants from

1 USAID	244,734,802	258,489,770
2 GAIN/CIFF	177,393,899	41,316,574
3 icddr'b	53,491,752	9,527,258
4 FHI360	-	415,950
<b>Sub-total</b>	<b>475,620,453</b>	<b>309,749,552</b>

### C. Income from Clinic operations

1 Income from service through -Lab	15,478,647	5,075,671
2 Income from service through -Consultant	4,404,590	1,720,769
3 Income from sale of medicine	34,101,700	21,628,311
<b>Sub-total</b>	<b>53,984,937</b>	<b>28,424,751</b>

### D. Corporate income

1 Rental income	102,788,036	88,900,086
2 Interest on FDR's and savings accounts at Banks	101,165,626	240,514,236
3 Dividend from subsidiary	136,499,930	49,999,900
4 Income from sale of scrap	347,484	440,050
5 Gain/(loss)from sales of fixed assets	98,244	20,840
6 Income from lease-SMC EL	3,493,687	3,550,939
7 Management fee & overheads	18,577,579	225,006
9 Vehicle rental income (for employees only)	82,629	55,064
10 Member's subscription	42,020	40,000
<b>Sub-total</b>	<b>363,095,236</b>	<b>383,746,120</b>

### Total income (A+B+C+D)

<b>1,197,682,578</b>	<b>926,978,717</b>
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## 17.1 Sales revenue from USAID donated products

Brand Name	Qty (Unit)	Average Selling Price	FY2021-22 (July'21 to Jun'22)	FY2020-21 (July'20 to Jun'21)
		BDT	BDT	BDT
SOMA-JECT	3,883,005	32.17	124,897,225	119,398,047
Sayanapress (Vial)	98,632	77.52	7,646,010	7,072,025
Relax (IUD)	8,073	20.00	161,460	143,600
Implant	4,181	150.00	627,150	542,700
<b>Sub-total</b>			<b>133,331,845</b>	<b>127,156,372</b>
Add: Transfer from deferred income			29,174,492	-
Less: Transfer to deferred income				29,174,492
<b>Sub-total</b>			<b>162,506,337</b>	<b>97,981,880</b>

## 17.2 Sales revenue from CIFF/GAIN products

CIFF/GAIN - FullCare Tablet	1,317,522	34.00	44,795,748	-
Less: Transfer to deferred income *			(44,795,748)	-
<b>Sub-total</b>			-	-

\* Income from sale of PI products will be recognized as sales revenue after getting the approval from concerned donor.



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

### 17.3 Sales revenue from SMC products

Brand Name	Qty (Unit)	Average Selling price	FY2021-22 (July'21 to June'22)	FY2020-21 (July'20 to Jun'21)
Easy Clean	79,740	7.50	598,050	383,100
Pregnancy Test Kit (PTK)	79,571	12.79	1,017,473	1,029,000
Quick Test	25,050	25.00	626,250	-
MoniMix	35,991,595	2.10	75,751,715	66,998,021
MoniMix Plus	4,363,650	2.16	9,410,513	2,403,405
SMC Zinc	808,641	14.76	11,939,038	10,997,445
Vermicid	6,692,660	2.93	19,606,100	18,548,900
SOMA-JECT	591,965	32.21	19,065,385	1,929,970
Safe Delivery Kit (SDK)	62,848	80.00	5,027,840	4,786,572
<b>Sub-total</b>			<b>143,042,364</b>	<b>107,076,413</b>
Less: Trade VAT			(566,749)	-
<b>Sub-total</b>			<b>142,475,615</b>	<b>107,076,413</b>
<b>Total</b>			<b>304,981,952</b>	<b>205,058,293</b>

### 18. Salary and benefits

Corporate-head office	154,955,044	145,712,756
Donor programs	81,201,887	40,306,914
SMC programs	28,113,268	15,280,396
<b>Total</b>	<b>264,270,199</b>	<b>201,300,066</b>

### 19. Travel expenditure

Corporate-head office	12,523,390	11,839,295
Donor programs	17,116,173	5,039,865
SMC programs	3,260,108	5,158,464
<b>Total</b>	<b>32,899,671</b>	<b>22,037,624</b>

### 20. Packaging materials

Corporate-head office	2,037,337	5,490,188
Donor programs	6,029,924	6,102,699
SMC programs	-	-
<b>Total</b>	<b>8,067,261</b>	<b>11,592,888</b>

### 21. General operating expenses

Corporate-head office	84,462,585	80,974,916
Donor programs	97,219,336	18,005,421
SMC programs	10,994,373	21,958,689
<b>Total</b>	<b>192,676,294</b>	<b>120,939,026</b>

### 22. Advertisement

Corporate-head office	1,554,080	972,348
Donor programs	101,619,522	75,034,047
SMC programs	1,057,107	613,990
<b>Total</b>	<b>104,230,709</b>	<b>76,620,385</b>



Notes	Particulars	Amount in BDT	
		As at & for the year ended	
		30-June-2022	30-June-2021

**23. Commodity expenditure :**

**A. SMC products**

Opening stock	55,434,504	16,465,197
Add: Purchase during the year	111,444,724	129,903,974
Less: Closing stock	(49,776,829)	(55,434,504)
<b>Sub-total</b>	<b>117,102,399</b>	<b>90,934,667</b>

Details are given in Annexure-B

**B. Commodity expenditure -medicine**

SMC Niltara Clinic-Dhaka Uddan	20,546,715	19,327,018
SMC Clinic-SMC Tower-2	8,849,873	1,713
<b>Sub-total</b>	<b>29,396,588</b>	<b>19,328,731</b>

**Total commodity expenditure (A+B)**

<b>146,498,987</b>	<b>110,263,398</b>
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**24. Research & development**

Corporate-head office	3,519,543	2,779,773
Donor programs	4,764,690	2,698,834
SMC programs	-	-
<b>Total</b>	<b>8,284,233</b>	<b>5,478,607</b>

**25. Program expenditure**

Corporate-head office	1,056,477	1,502,648
Donor programs	314,593,925	201,124,404
SMC programs	56,126,613	23,296,074
<b>Total</b>	<b>371,777,015</b>	<b>225,923,126</b>

**26. Staff development expenditure**

Corporate-head office	474,419	254,277
Donor programs	-	-
SMC programs	-	-
<b>Total</b>	<b>474,419</b>	<b>254,277</b>

**27. Related party transaction :**

The Company has been carrying out a good number of transactions with its subsidiary, SMC EL at arm's length in normal course of business that fall within the definition of related parties as per International Accounting Standard (IAS) - 24 "Related Party Disclosures". SMC has the following transactions with SMC Enterprise Limited:

	Transactions Type	Received during the year	Paid during the year	Other transactions during the year
1	Sale proceeds of SMC's product (Inter-company sales)	330,295,081	-	6,649
2	Payment for Vermicid & MoniMix purchase	-	49,815,632	-
3	Packaging expenses (SOMA-JECT)	-	1,240,592	-
4	Reimbursement of MoniMix bonus	-	2,606,850	-
5	Reimbursement for common services	85,261,692	-	-
6	Office rent	61,246,596	-	-



**Social Marketing Company**  
**Details of Property, Plant and Equipment**  
**as at 30 June 2022**

Annexure - A

Particulars	Cost			Depreciation					Written down value as at 30 June 2022	
	Balance at 01 July 2021	Addition during the year	Sales/ adjustment during the year	Balance at 30 June 2022	Rate (%)	Balance at 01 July 2021	Charged during the year	Sales/ adjustment during the year		Balance at 30 June 2022
Land (SMC Tower, SMC Tower-2)	280,896,559			280,896,559	-	-			-	280,896,559
Building-SMC Tower	335,548,581	190,320		335,738,901	2.5 & 10	97,481,749	9,537,536		107,019,285	228,719,616
Building-SMC Tower-2	258,431,820	4,262,405		262,694,225		7,244,352	7,820,718		15,065,071	247,629,154
Lift - (SMC Tower & SMC Tower-2)	60,209,268	18,701,571		78,910,839	20	59,234,066	993,844		60,227,909	18,682,929
Power sub-station (SMC Tower & SMC Tower-2)	45,723,936	576,919		46,300,855	20	24,219,815	4,443,938		28,663,752	17,637,103
Fire control system (SMC Tower & SMC Tower-2)	48,414,194	1,271,274	7,907,292	41,778,176	20	32,112,133	7,076,735	7,907,291	31,281,576	10,496,600
Central A/C system	120,196,317	-	48,386	120,147,931	20	110,457,617	1,977,577	48,385	112,386,809	7,761,122
Furniture & fittings	24,799,809	965,673	6,480,269	19,285,213	10	11,332,234	1,826,347	3,264,261	9,894,320	9,390,893
Vehicles	83,445,215	843,909	15,215,040	69,074,084	25	67,483,487	5,749,697	14,630,986	58,602,198	10,471,886
Other equipment	22,242,263	-	4,729,338	17,512,925	20	23,013,436	116,702	5,913,720	17,216,418	296,507
Office equipment	48,568,446	12,040,048	9,931,558	50,676,936	20	21,763,977	7,906,101	4,920,474	24,749,604	25,927,332
Total FY 2021-22	1,328,476,409	38,852,119	44,311,883	1,323,016,645		454,342,865	47,449,195	36,685,117	465,106,944	857,909,701
Intangible Assets (Software)	-	1,334,298	699,232	635,066		-	79,798		79,798	555,268
Total FY 2020-21	1,260,886,173	121,855,467	54,265,231	1,328,476,409		395,186,423	60,356,413	1,199,972	454,342,864	874,133,545



**Social Marketing Company**  
**Statement of Cost of Goods Sold and Closing Stock**  
**For the year ended 30 June 2022**

Annexure - B

Particulars	Donors		SMC products										FY'2021-22 (July'21 to Jun '22) Total	FY'2020-21 (July'20 to Jun '21) Total
	USAID PI	GAIN/CIFF PI	SMC-SOMA- JECT	Quick Test)	PTK (Pregnancy Test Kit)	SMC Zinc	MoniMix	Easy Clean	SDK (Safe delivery kit)	MoniMix- Plus	Vermicid	Total SMC products		
<b>Opening stock</b>	39,899,949	1,791,504	16,113,284	-	878,934	4,880,995	18,855,608	516,700	1,537,856	7,577,544	5,073,583	55,434,504	95,334,453	79,636,528
Add: Cost of production/ purchase/donation received during the year	128,600,899	64,208,496	9,191,000	934,223	-	12,390,000	61,332,037	186,200	3,806,401	6,165,023	17,439,840	111,444,724	304,254,119	208,843,924
	168,500,847	66,000,000	25,304,284	934,223	878,934	17,270,995	80,187,645	702,900	5,344,257	13,742,567	22,513,423	166,879,228	401,380,076	288,480,452
<b>Less: Consumption/COGS</b>			15,933,932	563,023	861,640	9,633,014	58,972,736	516,862	3,822,985	8,513,150	18,285,058	117,102,399	117,102,399	90,934,667
	168,500,847	66,000,000	9,370,352	371,200	17,295	7,637,981	21,214,910	186,038	1,521,273	5,229,416	4,228,365	49,776,829	284,277,676	197,545,786
<b>Less: Goods sold during the year</b>	105,433,065	46,477,419	-	-	-	-	-	-	-	-	-	-	151,910,484	100,419,829
<b>Closing stock</b>	63,067,783	19,522,581	9,370,352	371,200	17,295	7,637,981	21,214,910	186,038	1,521,273	5,229,416	4,228,365	49,776,829	132,367,192	97,125,957



## Social Marketing Company

### Detail Expenditure (Source wise) for the year ended 30 June 2022

*Annexure - C*

Particulars	Note	A	B	C	D	E=(A+B+C+D)	SMC Corporate	SMC Funded Programs	01 July' 21 to 30 June' 22	01 July' 20 to 30 June' 21
<b>Expenditure</b>									<b>H=(E+F+G)</b>	<b>I</b>
Salary & benefits	18	34,506,434	-	21,859,424	24,836,029	81,201,887	154,955,044	28,113,268	264,270,199	201,300,066
Travel expenditure	19	5,943,405	-	9,401,956	1,770,812	17,116,173	12,523,390	3,260,108	32,899,671	22,037,624
Packaging materials	20	-	5,652,897	-	377,027	6,029,924	2,037,337	-	8,067,261	11,592,888
General operating expenses	21	8,794,723	44,663	8,365,723	80,014,227	97,219,336	84,462,585	10,994,373	192,676,294	120,939,026
Municipal Tax							4,994,450	-	4,994,450	4,218,588
Advertisement	22	16,684,300	59,012,534	857,102	25,065,586	101,619,522	1,554,080	1,057,107	104,230,709	76,620,385
Commodity/Medicine expenditure	23	-	-	-	-	-	117,102,399	29,396,588	146,498,987	110,263,398
Research & development	24	2,552,442	2,212,248	-	-	4,764,690	3,519,543	-	8,284,233	5,478,607
Staff development	26	-	-	-	-	-	474,419	-	474,419	254,277
Depreciation							42,855,576	4,673,417	47,528,993	60,356,413
<b>Sub-total</b>		<b>68,481,304</b>	<b>66,922,342</b>	<b>40,484,205</b>	<b>132,063,681</b>	<b>307,951,532</b>	<b>424,478,823</b>	<b>77,494,861</b>	<b>809,925,216</b>	<b>613,061,272</b>
<b>Program Expenditure:</b>										
Supplies & equipment		-	2,693,927	3,982,074	13,251,404	19,927,405	-	-	19,927,405	-
Program expenditure		76,090,462	77,260,579	9,025,473	32,078,814	194,455,328	1,056,477	12,043,991	207,555,796	114,215,533
Program expenditure -partners' *		100,211,192	-	-	-	100,211,192	-	44,082,622	144,293,814	111,707,593
<b>Sub-total</b>	25	<b>176,301,654</b>	<b>79,954,506</b>	<b>13,007,547</b>	<b>45,330,218</b>	<b>314,593,925</b>	<b>1,056,477</b>	<b>56,126,613</b>	<b>371,777,015</b>	<b>225,923,126</b>
<b>Total expenditure</b>		<b>244,782,958</b>	<b>146,876,848</b>	<b>53,491,752</b>	<b>177,393,899</b>	<b>622,545,457</b>	<b>425,535,300</b>	<b>133,621,474</b>	<b>1,181,702,231</b>	<b>838,984,398</b>

\* Details of program expenditure -partners'

PSTC	25,091,682	-	-	-	-	25,091,682	-	-	25,091,682	26,024,489
CWFD	27,101,769	-	-	-	-	27,101,769	-	6,136,547	33,238,316	28,879,635
Sachatan	-	-	-	-	-	-	-	26,673,019	26,673,019	8,749,455
Shimantik	47,332,616	-	-	-	-	47,332,616	-	11,273,056	58,605,672	46,540,675
PSI	685,125	-	-	-	-	685,125	-	-	685,125	1,513,339
<b>Total program expenditure -partners'</b>	<b>100,211,192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,211,192</b>	<b>-</b>	<b>44,082,622</b>	<b>144,293,814</b>	<b>111,707,593</b>





# **The Directors' Report**

## **SMC EL**



Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege and honor to present the Directors' Report and Auditor's Report, along with the audited financial statements of SMC Enterprise Limited (SMC EL) for the year ended on June 30, 2022.

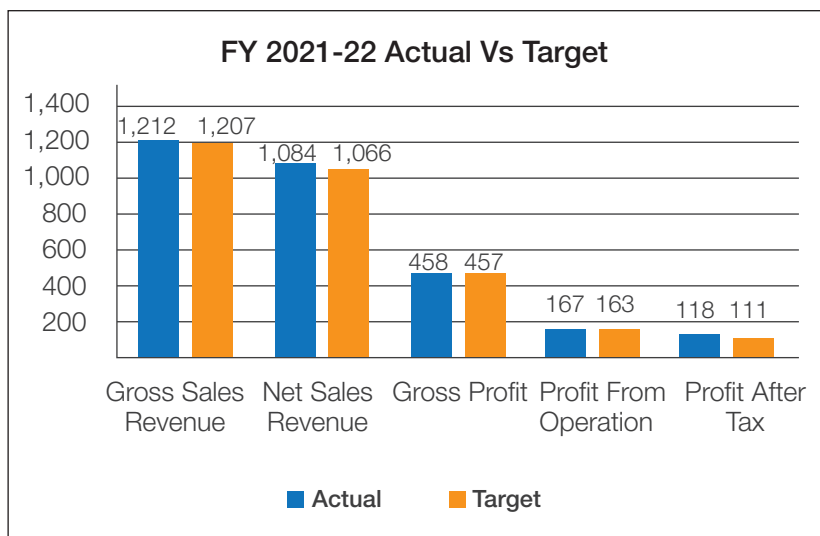
Despite the global pandemic and the conflict in east Europe, that affected supply chain severely worldwide, the Company demonstrated impressive resilience and agility to deliver both topline and bottom-line growth. Let me express my appreciation and congratulation to the Management and all employees of SMC EL for their dedication, discipline and hard work for achieving the commendable result.

The Company delivered another strong year by maintaining the gross revenue of Tk. 1,212 crore with 15% revenue growth, 10% net profit growth with a profit after tax of Tk. 118 crore and contributed around Tk 194 crore to the National Exchequer.

The Pharma Division of the Company has generated revenue of Tk. 83 (Eighty-three) crore (achieved 100% of the target) with a revenue growth of 25% compared to that of last year and earned profit from operation amounting to Tk. 6 (six) crore. The Net profit after tax dropped by 25 percent to Tk. 4 crore as compared to last year.

The Company during the reporting period has incurred Tk. 60 crore in capital expenditure by way of expansion of Health & Hygiene

factory in Cumilla, Food Manufacturing Division and ORSaline-N factory and facility in Bhaluka, MIS & IT, ERP, land purchase and so on.



## Overall Company Performance

The Company has been consistently maintaining sales growth over the last several years and registered significant progress in all profitable brands under three major categories, namely, Female Reproductive Health and Contraceptives (FRH&C), Consumer Products (CP), and General Health and Nutrition (GH&N) including the Pharma business.

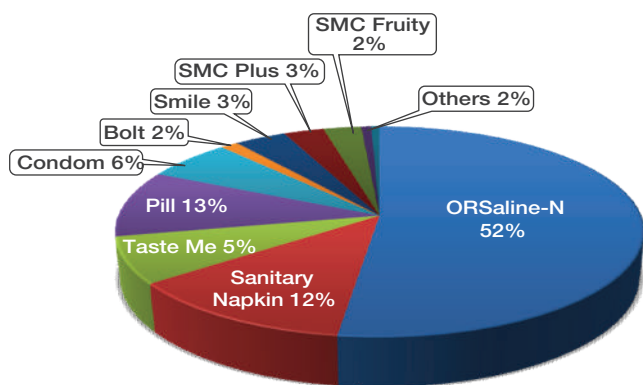
Our premier brand ORSaline-N has achieved 4% growth compared to last year, achieving 100% of the target with a sales volume and revenue of 141 crore sachets and Tk. 586 crore respectively as compared to 135 crore sachets and revenue of Tk. 562 crore in the FY 2020-21. The other product categories like Joya Sanitary Napkin, Taste Me, Bolt and Smile Baby Diapers witnessed significant growth over the last year. Growth of Joya Sanitary Napkin was strong having 22% and 100% achievement of the target witnessing a sale of Tk. 139 crore.



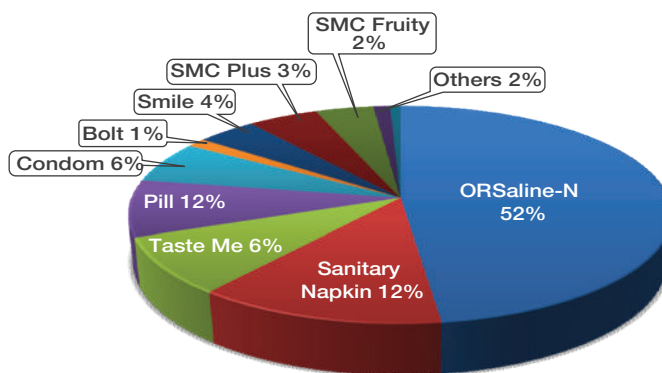
The product wise performance during the reporting period are appended hereunder:

Sl.	Product Category	Product Type	Revenue in FY 2021-22 (in crore BDT)		Target Achieved (%)	Revenue in FY 2020-21 (in crore BDT)	Growth (%)
			Target	Actual		Actual	
1.	Female Reproductive Health and Contraceptives	Oral contraceptive pill	138	130	94%	140	(7%)
2.	Consumer products	Condom, sanitary napkin, baby diaper, instant powder drink	373	390	104%	272	43%
3.	General Health & Nutrition	ORSaline-N & SMC Fruity	613	609	99%	571	7%
<b>Total Sales Revenue (Excluding pharma)</b>			1,124	1,129	100%	983	15%
4.	Pharma Sales	OTC & Therapeutic class	83	83	100%	67	24%
<b>Combined Total</b>			1,207	1,212	100%	1,050	15%

**Category Contribution %**



**FY 2021-22 Actual**



**FY 2021-22 Target**

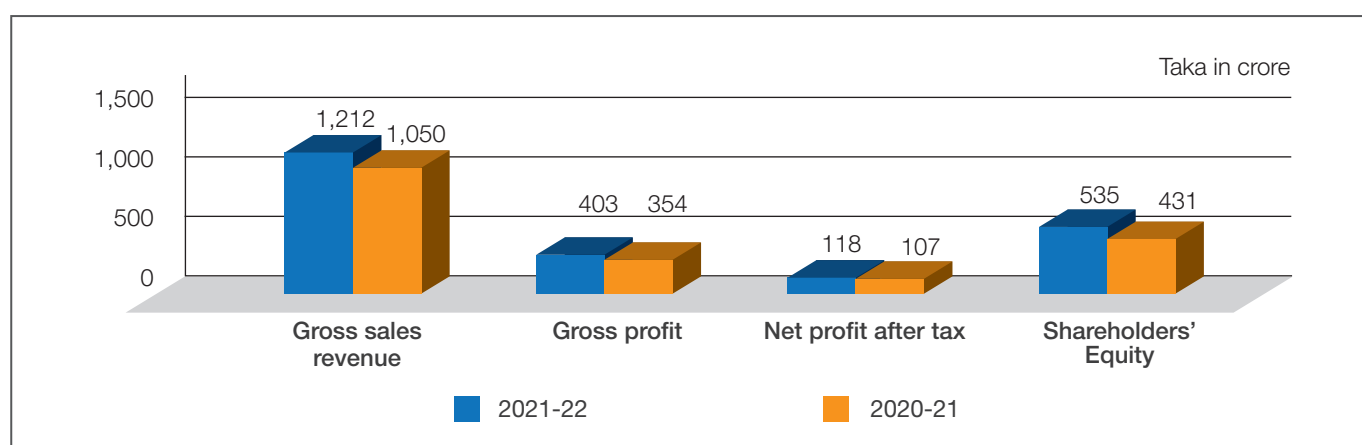
## Financial Results and Appropriations

SMC EL has been maintaining a strong financial footing over the years with a very sound liquidity position. The Company also generated enough cash flow thereby maintaining the operational fluidity consistently. Besides, SMC EL also has a healthy Debt-Equity ratio, recorded solid improvements in other financial parameters like sales, gross profit, debt costs and net profit after tax. As a result, the Company is continuously adding value to the shareholder's equity with a staggering growth of 24% during the reporting period.



(Tk in crore)

Particulars	FY 2021-22	FY 2020-21	% change
Gross sales revenue	1,212	1,050	15
Gross profit	403	354	14
Net profit after tax	118	107	10
Shareholders' equity	535	431	24
Debt-equity ratio	1: 1.37	1: 1.50	-
Earnings per share (Absolute)	Tk. 302	Tk. 274	10
Dividend per share (Cash)	Tk. 67 (proposed)	Tk. 35	91
Net asset value per share (Absolute)	Tk. 1,373	Tk. 1,106	24
Dividend payout ratio	24% (proposed)	13%	-



Overall performance of the Company for the year 2021-22 has expanded dividend paying capability of the Company. Therefore, the Board of Directors in its 72nd meeting held on November 23, 2022 has recommended the appropriation of the Net Profit earned during the year 2021-22 in the following manner:

(Amount in TK)

Particulars	FY 2021-22
Net profit before tax	1,644,177,769
Less: Provision	467,999,110
Net profit after tax	1,176,178,659
Add: Un-appropriated profit brought forward	3,924,562,983
Profit Available for distribution	5,100,741,642
Less: Appropriation of dividend (last year)	136,500,000
Un-appropriated profit C/F	4,964,241,642

The Company paid Cash dividend @ 35% (Tk. 35 per share) amounting to Tk. 13.65 crore in last year (FY 2020-21).

Details of the operational results and other operating and financial information are discussed in the separate chapter namely 'Financial Performance - SMC EL' for the FY 2021-22 in page 194 of the Annual Report.



There is no qualification, reservation, adverse remark, comments, observations or disclaimer given by the statutory Auditors in their reports.

## Directors' Statement on Financial Reporting

The Board of Directors of the Company, in accordance with the Corporate Governance Code of the Bangladesh Securities and Exchange Commission, confirm the following to the best of their knowledge:

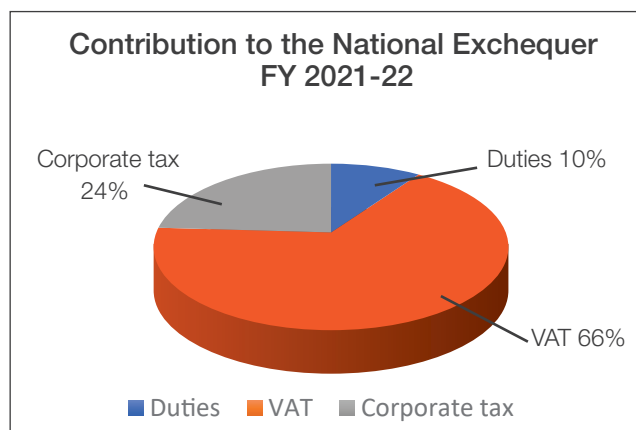
- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the issuer Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements, and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The 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.
- There is no significant doubt upon the ability of issuer Company's to continue as an ongoing concern.

## Contribution to the National Exchequer

The Company is committed to timely disburse its direct and indirect tax obligations. As a result, the Company has made significant contribution to the National Exchequer by way of paying direct and indirect taxes. During the period under review, SMC EL contributed an amount of Tk. 194 crore out of which Tk. 19 crore was paid as different types of duties towards import of raw materials, packaging materials and spare parts, Tk. 47 crore as corporate tax and Tk. 128 crore as VAT on sales was paid to the Government Exchequer etc.

In addition, we have deducted the VDS & TDS of Tk. 45 crore from the supplier's bill & subsequently deposited to the Government revenue account.

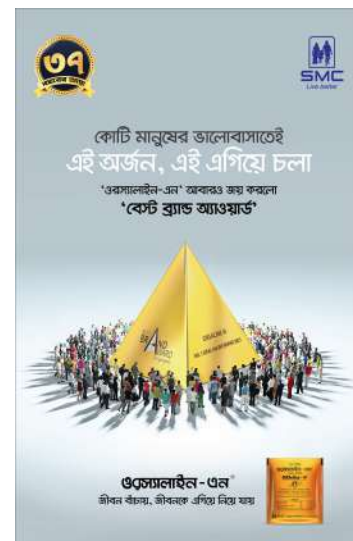
Particulars	FY 2021-22 (Tk. in crore)	FY 2020-21 (Tk. in crore)
Duties	19	22
VAT	128	120
Corporate tax	47	46
<b>Total</b>	<b>194</b>	<b>168</b>





## Marketing Activities

SMC Enterprise Ltd has been delivering innovative products and effective marketing campaigns to retain and strive to achieve leadership positions in respective categories. In the reporting year, the Company has taken several initiatives to reach out to consumers for building the brands. During the period under review SMC EL launched a number of products like SMC Fruity, Joya Value pack, Joya Wings pack, SMC Pure petroleum Jelly, Smart pill, Smartpill Lite and Germ kill. The Company achieved prestigious awards, such as International SuperBrands Award for Condom Range from SuperBrands Global, and The Best Brand Award for ORSaline-N from Bangladesh Brand Forum. Major PR campaigns and collaboration with public and private organizations like DGHS, Bidyanondo, Mastul Foundation, A2I have increased visibility of our corporate brand.



Details of marketing activities with regular product development and brand communication are discussed in page 166 of the Annual Report namely “Product Development and Brand Communication”.

## Sales Distribution Network – Direct Sales and Distribution Sales

During the period under review, the expansion of sales distribution network was made through coverage of a vast number of pharmacies and non-pharmacy outlets in both urban and rural markets. Distribution of existing and new products in the FY 2021-2022 was carried out by direct sales force of SMC (177 sales officer) from 12 Area Offices who reached 185,907 outlets out of which 85% (1,57,832) were Pharma Outlets and 15% (28,075) were Non-Pharma Outlets. The direct sales generated Tk. 669 crore.

On the other hand, distribution sales through 335 authorized distributors were able to reach 529,862 Non-Pharma outlets throughout the country and generated around Tk. 452 crore in sales revenue which was Tk. 336 crore in FY 2020-2021. The growth rate of Distribution Sales is 35%. Moreover, products were sold to 646 institutions that included NGOs, hospitals and clinics.

A good number of promotional activities took place with the objective of creating demand and introducing new products through service providers during the reporting year. Such activities include small interactive events like group detailing sessions with Rural Medical Practitioners (RMP), Palli Chikitshoks (PC) and other community level health providers on health-related issues.

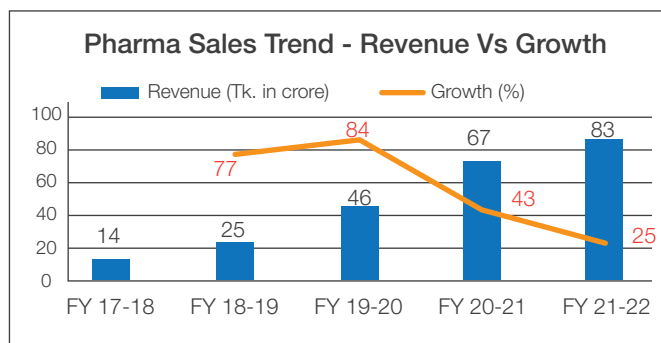
During the reporting period, SMC EL reached over 98,736 health providers including doctors, NGO workers, non-graduate health service providers, traditional birth attendants and girl students through various promotional sessions compared to targeted 106,260 health providers. A short fall of 7% was due to the onslaught of pandemic in the first half where the field Promotion activities could not be carried out as per projection, however in second half, significant effort was made to minimize the gap.

Details of the sales activities are discussed in the separate chapter namely “Sales Distribution Network” in page 179 of the Annual Report.



## Pharma Business Performance

The Pharma Division of SMC EL ever since its inception primarily focused on producing affordable quality medicine and its distribution, especially to less-privileged segments of the society. Keeping this in mind, the Pharma Division has been successfully maintaining its footprint with a commendable growth in highly competitive pharma market.



During the period under review, the Pharma Division sold 36 types of OTC and therapeutic products amounting to Tk. 83 crore with a growth of 25% and registered an operating profit of Tk. 6 crore. It promotes products like antibiotics, NSAIDs, antihistamines, and anti-asthmatics, mineral supplements.

The Pharma team during the reporting period launched Zifday capsule (indicated for chronic and acute blood loss, anemia etc) and Secoxim tablets (UTI and bronchitis).

In this connection, it gives me great pleasure to let you know that Zifday capsule is produced in our Bhaluka Factory.



Details of pharma marketing highlight, campaign and new product launch are discussed in the separate chapter namely “Pharma Marketing Highlight” in page 182 of the Annual Report.

## Manufacturing Operations

### ORS-N Bhaluka Factory

ORS Manufacturing facility of SMC EL located in Bhaluka, Mymensingh is the state of the art, ISO 9001:2015 -certified and cGMP compliant. The facility operates round the clock to meet the growing demand and to achieve higher revenue targets. SMC EL has a total of 54 registered Pharma Products including ORSaline-N. Among these products, it manufactures 39 products both from own plant and from toll manufacturing cater to the demand of Pharma Sales and Marketing. Besides, it has a food manufacturing division (FMD) which produces energy drinks such as Taste Me and Bolt.

During the FY 2021-22, the ORS factory produced 102 crore sachets of ORSaline-N against the target of 100 crore sachets, which was 1 % higher than the target, utilizing 100% of the production capacity. In the FY 2021-22, the production target of ORS was enhanced to 100 crore sachets due to capacity enhancement and full swing operation production facility of all 12-line.





The ORS factory also produces MoniMix 1 gm Micronutrient powder, Prazomax 20, Prazomax 40, Esomium 20 and Esomium 40 Capsule.

### Health & Hygiene Factory

The Health & Hygiene Factory is also the state-of-the-art ISO 9001:2015 certified and BSTI licensed production facility located at Bauband, Cumilla. Addressing the essential hygiene needs of the population, this factory has highly sophisticated machine with PLC based full servo control facility to ensure quality of the product. Currently the factory is producing -

- Joya Sanitary Napkin Belt type
- Joya Sanitary Napkin Wings Type
- Smile Baby Diaper Belt Type
- Smile Baby Diaper Pant Type
- Smile Baby Wipes
- Smile Wet Wipes

Production of the factory has been running 24 hours in three shifts to satisfy increasing demand of sales. Considering 27% production growth of belt type of sanitary napkin, two new machine, Sanitary Napkin Belt-3 and Napkin Belt-4 have been installed and commercial production started on January 08, 2022 and May 31, 2022 respectively. Also, I am happy to note that one Pant Type Baby Diaper machine has been installed on July 2021 and commercial production started from August, 2021.



Details about the manufacturing and production facilities are discussed in the separate chapter namely “Manufacturing Operations” in page 185 of the Annual Report.

### Research Highlights – SMC EL

Every year, SMC EL undertakes and conduct number of research activities to assess impact of Sales and Marketing initiatives, conduct feasibility of product launching and generate consumer insights. It utilizes primary research data to understand the current market and design future marketing plan, tailored to market realities as well as other external factors and internal capabilities. During the period under review the Sales and Marketing department of the Company undertook three major projects to understand the market in depth in terms of usage and attitude. These are:

- U&A (Usage and Attitude) study for understanding the Oral Saline market
- Study on menstrual hygiene practice among the RMG workers
- Post campaign evaluation study for ORSaline-N

The detail of research activities are discussed in a separate chapter namely “Research Insights - SMC EL” in page 176 of the Annual Report.



## Supply Chain Management (SCM)

### Procurement of Commodity

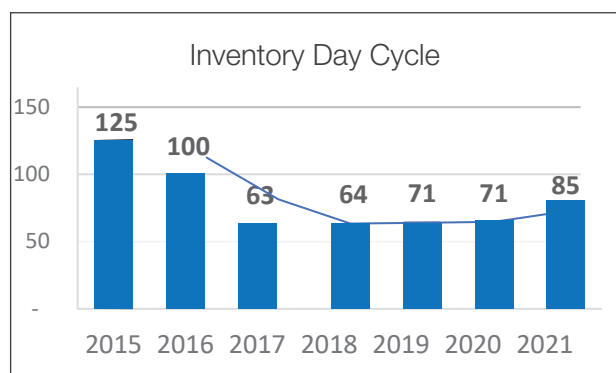
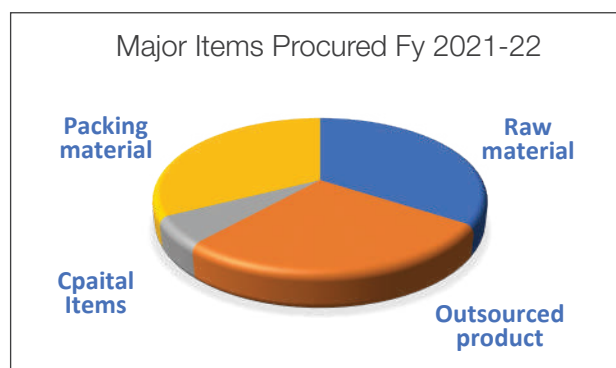
The Supply Chain aims to procure commodities at competitive prices maintaining appropriate quality through fair competition and transparent practices as outlined in the Procurement Manual.

The demand planning and inventory management (DPIM) team of the SCM is continuously monitoring the status of the inventory and effectively ensure supply against forecasted demand to meet the targeted goals of the Company for a particular period. The division also plays a coordinating role between production and finance with a view to ensure right product at right time keeping in mind the cost of fund.

During the FY 2021-22, SMC EL procured commodity, packaging, and raw materials worth Tk. 626 crore and capital items worth Tk. 46 crore with a combined procurement value of Tk. 672 crore.

Furthermore, around 2,000 procurement proposals were approved by the management and the Board, where around 300 Letter of Credit (LC) were opened in the said reporting year.

With regard to optimization of inventory level the company maintained 105 days inventory level at the closing of the year considering the planned sales requirements. Though it is higher than that of last year still it shows a better position compared to the industry practice of 120 days in the country. It was kept at this level to overcome the challenges being faced due to pandemic and the war going on in Europe which has led to severe economic turmoil across the globe. By maintaining this 105-days inventory, compared to the industry practice of 120 days, the Company has still managed to reduce the working capital requirement which ultimately treated as opportunity cost savings.



### Cost Savings Projects

In the reporting period, the SCM division took 21 cost saving projects. Most of the projects are under the process of implementation in different phases aimed to significant cost savings. The major savings will come from reducing the aluminum thickness of the ORS foil from 9 microns to 7, changes in shipment mode, elimination of insert and brochure microns, issuing U-pass L/C, etc.

## Human Resource Management

During the reporting period SMC EL had 1,587 employees comprising of 967 management staff and 620 graded staff with a 101 female staff and 1,486 male staff. Strong emphasis was given to increase the female participation thereby enhancing the male-female ratio. Besides, it has casual & daily basis employees of 1,627 in number. During the reporting period SMC EL hired 241 new employees in the Management and Graded category.



With a view to enhancing the organizational capacity various training programs were conducted by the HR division with a participation of 1,307 employees. The major training program conducted were, Selling Skills & Sales Management, 5S & Kaizen, Stress & Anger Management at Workplace, Art of Efficient Pharmaceutical Sales and so on.

The Company recently adopted a Gender Policy for achieving gender equality within the organization and in its scope of work. Also, to note that a revision in the Administrative and Service Manual of the Company is going on with a view to make it an updated version.

Details of Human Resource Management is discussed in the separate chapter 'Human Resource Management - SMC EL' exhibited in page 191 of the Annual Report.

## **Industrial Relation**

The Company is maintaining healthy and peaceful Industrial Relations (IR), which is one of the key factors of sustainable growth of any organization. In SMC EL there are two organized labor unions. CBA election is held every two years peacefully in accordance with related regulations of the Government. Both Management and the CBA are respectful towards the Company policies and code of conduct. The newly elected CBA submitted their Charter of Demands to the Management of the Company. To settle the Charter of Demands, Management and CBA meet in several sessions and reached to a consensus. They also sit periodically and as and when required to settle any kind of industrial disputes arising within the organization which are mutually agreed.

## **ICT Activities**

The Information and Communication Technology (ICT) division has always given top priority on business process automation, data security of SMC EL. The division has played a commendable role in bringing cost efficiency thereby enhancing operational excellence. During the period under review the ICT division has completed the following major tasks successfully to expedite the decision-making process of the organization.

- Re-Structured the Local Area Network (LAN) of infrastructure of 12 Area Sales Offices to ensure the smooth and uninterrupted Computer network connectivity.
- Installed overall ICT infrastructure including LAN & Surveillance for extended buildings of H & H Factory and Bhaluka Factory.
- Made a feasibility study on the cash automation for making sure the on-line cash transaction in the Consumer Sales operation.
- Revamped the sales of Pharmaceuticals and Inventory management system for integrating the Mobile Apps and Web application.
- Installed the Employee Attendance Management System in 12 Area Offices of SMC EL as a part of extended module of Head Office Attendance System.

## **Corporate Governance**

The Director's Report of the Company was prepared in compliance with section 184(1) of the Companies Act 1994 and Bangladesh Securities and Exchange Commission Corporate Governance Code.

At SMC EL, we believe that it is imperative for us to manage our business operations in a fair and transparent manner within the perimeter of our governance framework and under the strategic stewardship of our values. For us, corporate governance represents an ethical business process aimed at enhancing reputation,



goodwill and sustainability of our organizations. We believe that our good governance processes provide transparency with regard to corporate policies and strategies, while enabling us to refine our decision-making process. This further strengthens internal control systems which helps in building positive relationships with all our stakeholders. We believe in transparency and commit ourselves to adhere to best practices in governance at all times.

SMC EL has adequate system of internal control in place where the Board is assisted in its overseeing role by strong and independent Board Sub-committees who are jointly and or severally serving both the companies. Details of the Corporate Governance are discussed in a separate chapter namely “Corporate Governance” in page 74 of the Annual Report.

## Board Meeting and Attendance

The Articles of Association (“AoA”) of the Company requires the Board to meet at least four times in a year with once in every quarter in accordance with the Section 96 of the Companies Act 1994. The Board of Directors of the Company met 11 times during the year 2021-22. The notice of each Board Meeting is served in writing ahead of the meeting. The Board meeting and attendance of the meeting during the FY 2021-22 are tabled below:

Sl No.	Name of Directors	Position in SMC EL Board	Board Meetings attended (SMC EL)
1.	Mr. Waliul Islam	Chairman	11 (11)
2.	Dr. Jahir Uddin Ahmed	Director	11 (11)
3.	Mr. Muhammed Ali	Director	11 (11)
4.	Mr. Siddiquir Rahman Choudhury	Director	11 (11)
5.	Mr. Muhammed Farhad Hussain FCA	Director	11 (11)
6.	Mr. Aftab ul Islam FCA	Director	11 (11)
7.	Mr. Md. Siddique Ullah	Director	10 (11)
8.	Mr. Md. Ali Reza Khan	Director	11 (11)
9.	Mr. Abdul Haque	MD, SMC EL and Ex-officio Director	11 (11)

## Corporate Social Responsibilities

The Company is aware of its responsibility towards social and societal welfare that helps strengthen communities and contributes to the sustainable development at the grassroots level. During the reporting period SMC EL distributed ORSaline-N, Joya sanitary napkin amounting to TK 1,913,269 to the flood affected areas of Sylhet division and some parts of the northeast region of the country through various social organization.

## Appointment of Statutory Auditor

In accordance with clause 113 of the Articles of Association and the provisions of section 210-213 of the Companies Act 1994, the statutory auditors of the company, M/s. MABS & J Partners, Chartered Accountants, will retire in the 8<sup>th</sup> Annual General Meeting of the Company and new statutory auditor is required to be appointed for the year 2022-23. In line with the practice of the Company, the statutory



auditor needs to change every three years. Being a subsidiary of Social Marketing Company, it would be more effective to appoint the same statutory auditor for the parent as well as subsidiaries. M/s. MABS & J Partners, Chartered Accountants, has given a 'No Objection Certificate (NOC)' for appointing another Chartered Accountant firm as the statutory auditor of SMC EL for the year 2022-23. Hence, the Board of Directors recommended to appoint M/s. ACNABIN, Chartered Accountants with an audit fee of Tk. 525,000 excluding VAT. The resolution to appoint M/s. ACNABIN, Chartered Accountants, as auditors will be placed at the 8<sup>th</sup> Annual General Meeting of the Company.

## **Related Party Transactions**

Details on related parties with whom transactions have taken place and their relationship as identified and certified by the management is disclosed in the 'Related party disclosures under IAS-24' in the Note No. 28 of Notes to the financial statements.

## **Appointment of Chairman of the Company**

The Board of Directors of the Social Marketing Company (SMC), at its 205<sup>th</sup> Board meeting held on September 05, 2021 appointed Mr. Waliul Islam as Chairman of the Company as on September 07, 2021. By virtue of Article 90 of the Articles of Association of SMC EL he is also the Chairman of the Board of SMC EL.

## **Outlook – 2022 and Beyond**

SMC EL has been maintaining the growth aligning itself with its long-term business strategy to continue to grow faster than the industry growth. For this a five-year strategic plan of the Company is developed.

In order to continue the sales growth, SMC EL expanded its production capacity through contract/toll manufacturing while maintaining a profitable and healthy balance between in-house and contract manufacturing.

SMC EL has commenced construction of its largest manufacturing unit at new FMCG factory at Bhabanipur, Gazipur. It is expected that the unit will go into commercial operations in 2023. The unit will cater to the increasing demand of SMC Plus and gradually move to all the food product production facility of SMC Fruity, Taste Me and BOLT from Bhaluka to Bhabanipur. The enhanced capacity and strategic location will enable SMC EL to better serve its consumers all over Bangladesh.

The Company continuously has been investing behind the brands to assume market handling position and providing delightful experience for the consumers. Also, the Company is to expand distribution network to reach longer group of consumer detail.

SMC EL are committed to growing and developing talent, across levels through impactful learning and development interventions. Employees welfare, health, safety and an energizing, safe culture are also critical pillars to achieve our vision of doubling our business by 2025.

The major highlights of the strategies of the Company are:

- Double the business within next four to five years.
- Expansion of the production capacity of various production or requirements.
- Explore the new markets such as biscuits etc.



- Relaunch of ORSaline-N and Increase the production capacity of ORSaline-N and Taste Me.
- Strengthen automation and integration of business process by acquiring and implementing Enterprise Resource Planning (ERP) - SAP.
- Establish a Pharmaceutical Manufacturing Facility either by acquiring a pharma factory by setting up a new factory based on a proper feasibility study in due time.

## Post Balance Sheet Events

There are no material events which have occurred after the balance sheet/reporting date, the non-disclosure of which could affect the ability of users of these financial statements to make an appropriate evaluation.

## Acknowledgement

The Board once again appreciates the hard work, dedication and sincerity of the employees of the Company. On behalf of the Board let me express my thanks and appreciation to each members of the Board for providing valuable support and guidance without of which it could not be possible. The Board also expressed its profound gratitude to the stakeholders for their trust and confidence in the company and look forward to their continued support and cooperation in the coming days.

For and on behalf of the Board of Directors,



**Waliul Islam**

Chairman, Board of Directors  
SMC Enterprise Limited



# পরিচালকের প্রতিবেদন

এসএমসি এন্টারপ্রাইজ লিমিটেড (এসএমসি ইএল)



প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি অত্যন্ত আনন্দের সাথে কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে, এসএমসি এন্টারপ্রাইজ লিমিটেড (এসএমসি ইএল)-এর ৩০ জুন, ২০২২-এ সমাপ্ত অর্থবছরের নিরীক্ষকের প্রতিবেদনসহ নিরীক্ষিত আর্থিক বিবৃতি এবং পরিচালকের প্রতিবেদন আপনাদের কাছে তুলে ধরিছি।

করোনা মহামারি এবং পূর্ব ইউরোপের সংঘর্ষের কারণে বিশ্বব্যাপী সাপ্লাই চেইন ক্ষতিগ্রস্ত হলেও আমাদের প্রতিষ্ঠান বিক্রয় রাজস্ব এবং নিট মুনাফা উভয় ক্ষেত্রেই অসামান্য প্রবৃদ্ধি ও তৎপরতা প্রদর্শনের মাধ্যমে সার্বিক সাফল্য নিশ্চিত করেছে। এই অসাধারণ সাফল্যের জন্য আমি এসএমসি ইএল-এর ব্যবস্থাপকবৃন্দ এবং সকল কর্মীদের নিষ্ঠা, কঠোর পরিশ্রম এবং আন্তরিক প্রচেষ্টার প্রতি অভিনন্দন ও ধন্যবাদ জানাই।

কোম্পানি ১৫% রাজস্ব প্রবৃদ্ধিসহ মোট ১,২১২ কোটি টাকা আয়ের মাধ্যমে ব্যবসায়িক সাফল্য ধরে রেখে আরো একটি সফল বছর সম্পন্ন করেছে, যার মাঝে ১০% বর্ধিত নিট মুনাফাসহ ট্যাক্স পরবর্তী মুনাফা ছিল ১১৮ কোটি টাকা এবং জাতীয় কোষাগারে অবদান ছিল প্রায় ১৯৪ কোটি টাকা।

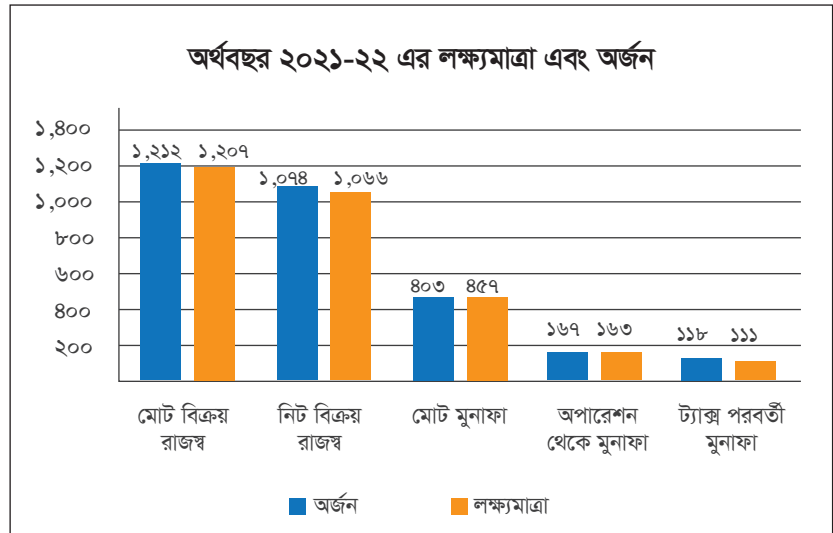
ফার্মা ডিভিশন ৮৩ (তিরিশ) কোটি টাকা আয় করে (লক্ষ্যমাত্রার ১০০%), যা ছিল বিগত বছরের আয়ের তুলনায় ২৫% বেশি এবং বিভিন্ন অপারেশন থেকে ৬ (ছয়) কোটি টাকার মুনাফা অর্জন করে। ট্যাক্স পরবর্তী নিট মুনাফা ছিল ৪ কোটি টাকা, যা বিগত বছরের তুলনায় ২৫% কম।

প্রতিবেদনের সময়কালে কোম্পানি হাইজিন ফ্যাক্টরি, ফুড ম্যানুফ্যাকচারিং ডিভিশন, ওরস্যালাইন-এন ফ্যাক্টরি ও ফ্যাসিলিটি, এমআইএস ও আইটি, ইআরপি, জমি ক্রয় ইত্যাদি বিভিন্ন ব্যবসায়িক সম্প্রসারণে ৬০ কোটি টাকার মূলধন ব্যয় করে।

## কোম্পানির সার্বিক কার্যক্রম

বিগত অনেক বছর ধরেই প্রতিষ্ঠানের বিক্রয় লক্ষ্যমাত্রা ক্রমাগত বৃদ্ধি পাচ্ছে এবং নারীদের প্রজনন স্বাস্থ্য এবং গর্ভনিরোধক পদ্ধতি (FRH&C), ভোগ্যপণ্য (CP) এবং ফার্মা বিজনেসসহ সাধারণ স্বাস্থ্য ও পুষ্টি (GH&N) এই তিনটি প্রধান ক্যাটাগরিতে লক্ষ্যণীয় মাত্রায় সাফল্য অর্জিত হয়েছে।

আমাদের অন্যতম প্রধান ব্র্যান্ড ওরস্যালাইন-এন গত বছরের তুলনায় লক্ষ্যমাত্রার ১০০% থেকে ৪% বেশি প্রবৃদ্ধি অর্জন করেছে। এ বছর এই ব্র্যান্ডের বিক্রয়ের পরিমাণ ছিল ১৪১ কোটি স্যাশে ও রাজস্ব আয় ছিল ৫৮৬ কোটি টাকা, যা ২০২০-২১ সালে ছিল যথাক্রমে ১৩৫ কোটি স্যাশে এবং ৫৬২ কোটি টাকা। অন্যান্য প্রোডাক্ট ক্যাটাগরিতে জয়া স্যানিটারি ন্যাপকিন, টেস্ট মি, বোল্ট ও স্মাইল বেবি ডায়াপারের ব্যবসায়িক প্রবৃদ্ধি ছিল উল্লেখযোগ্য। জয়া স্যানিটারি ন্যাপকিন ১০০% লক্ষ্যমাত্রা অর্জনে মোট ১৩৯ কোটি টাকা রাজস্ব আয় করে, যার প্রবৃদ্ধি ছিল আগের বছরের তুলনায় ২২% বেশি।

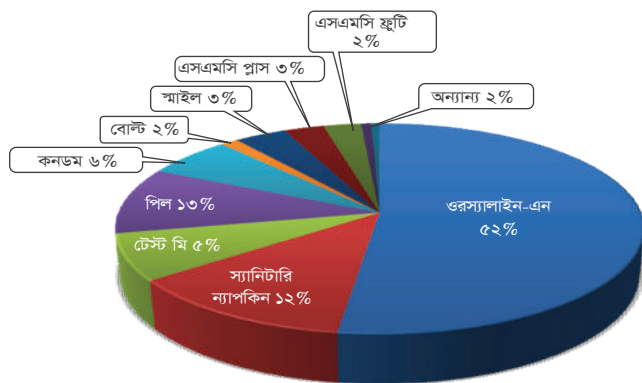




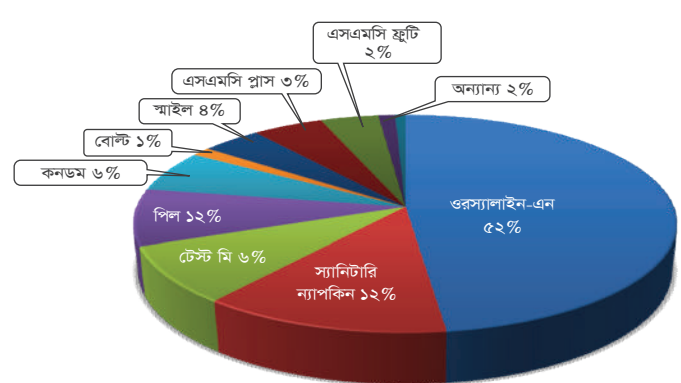
প্রতিবেদনকালীন সময়ে ক্যাটাগরি অনুযায়ী প্রোডাক্ট পারফরমেন্স:

সংখ্যা	পণ্যের তালিকা	পণ্যের ধরণ	২০২১-২২ অর্থবছরে রাজস্ব আয় (কোটি টাকায়)		লক্ষ্যমাত্রা অর্জন (%)	২০২১-২২ অর্থবছরে রাজস্ব আয় (কোটি টাকায়)	প্রবৃদ্ধি (%)
			লক্ষ্যমাত্রা	অর্জন		অর্জন	
১.	নারী প্রজনন স্বাস্থ্য এবং কন্ট্রাসেপটিভস	ওরাল কন্ট্রাসেপটিভ পিল	১৩৮	১৩০	৯৪%	১৪০	(৭%)
২.	ভোগ্য পণ্য	কনডম, স্যানিটারি ন্যাপকিন, বেবি ডায়াপার, ইনস্ট্যান্ট পাওডার ড্রিংক	৩৭৩	৩৯০	১০৪%	২৭২	৪৩%
৩.	সাধারণ স্বাস্থ্য ও পুষ্টি	ওরস্যালাইন-এন এবং এসএমসি ফ্লুটি	৬১৩	৬০৯	৯৯%	৫৭১	৭%
মোট বিক্রয় রাজস্ব (ফার্মা ব্যতীত)			১,১২৪	১,১২৯	১০০%	৯৮৩	১৫%
৪.	ফার্মা পণ্যের বিক্রয়	ওটিসি এবং থেরাপিউটিক শ্রেণী	৮৩	৮৩	১০০%	৬৭	২৪%
সর্বমোট			১,২০৭	১,২১২	১০০%	১,০৫০	১৫%

### ক্যাটাগরি ভিত্তিক অবদান (%)



অর্থবছর ২০২১-২২ এর অর্জন



অর্থবছর ২০২১-২২ এর লক্ষ্যমাত্রা

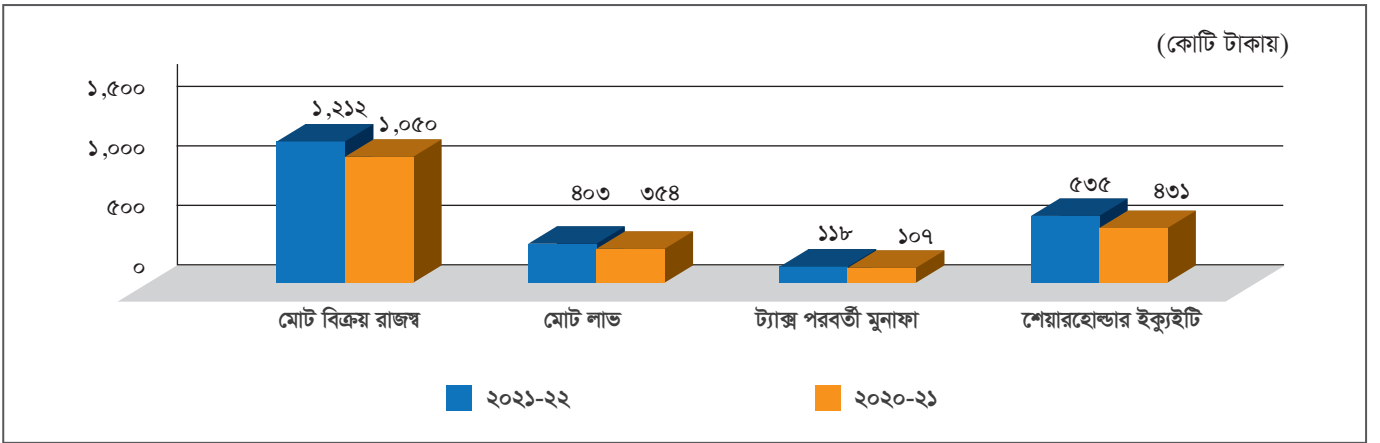
### আর্থিক ফলাফল ও বিনিয়োগ

এসএমসি-ইএল বিগত বেশ অনেক বছর ধরে শক্তিশালী লিকুইডিটি স্থিতির মাধ্যমে একটি শক্ত আর্থিক অবস্থান ধরে রেখেছে। যথেষ্ট পরিমাণে ক্যাশ ফ্লো নিশ্চিত করার মাধ্যমে কোম্পানি তার সকল ব্যবসায়িক কর্মকাণ্ডে গতি ধরে রেখেছে। শক্তিশালী ঋণ সাম্যতা অনুপাত (Debt-Equity ratio) বজায় রাখার কারণে এসএমসি-ইএল সেলস, মোট মুনাফা, ঋণ মূল্য এবং ট্যাক্স-পরবর্তী নিট মুনাফা ইত্যাদি আর্থিক পরিমাপেও দারুন সাফল্য লাভ করেছে। এর ফলাফলস্বরূপ কোম্পানি প্রতিবেদনের সময়কালে ২৪% প্রবৃদ্ধির সাথে শেয়ারহোল্ডারের ইকুইটিতে ধারাবাহিকভাবে গুরুত্বপূর্ণ অবদান রেখে চলেছে।



(কোটি টাকায়)

বিবরণ	২০২১-২২ অর্থবছর	২০২০-২১ অর্থবছর	% পরিবর্তন
মোট বিক্রয় রাজস্ব	১,২১২	১,০৫০	১৫
মোট লাভ	৪০৩	৩৫৪	১৪
ট্যাক্স পরবর্তী মুনাফা	১১৮	১০৭	১০
শেয়ারহোল্ডার ইকুইটি	৫৩৫	৪৩১	২৪
ঋণ সাম্যতা অনুপাত (Debt equity ratio)	১: ১.৩৭	১: ১.৫০	-
শেয়ার প্রতি আয় (প্রকৃত)	৩০২ টাকা	২৭৪ টাকা	১০
শেয়ার প্রতি লভ্যাংশ (নগদ)	৬৭ টাকা (প্রস্তাবিত)	৩৫ টাকা	৯১
শেয়ার প্রতি নিট সম্পদ মূল্য (প্রকৃত)	১,৩৭৩ টাকা	১,১০৬ টাকা	২৪
লভ্যাংশ প্রদানের অনুপাত	২৪% (প্রস্তাবিত)	১৩%	-



২০২১-২২ অর্থবছরে কোম্পানির সার্বিক দক্ষতা লভ্যাংশ প্রদানের ক্ষমতাকে প্রসারিত করেছে। বোর্ডের পরিচালকবৃন্দ ২৩ নভেম্বর ২০২২ তারিখে অনুষ্ঠিত ৭২তম সভায় ২০২১-২২ অর্থবছরের অর্জিত নিট মুনাফার বিনিয়োগ নিম্নলিখিত উপায়ে নির্ধারণ করেছে:

(টাকায়)

বিবরণ	২০২১-২২ অর্থবছর
ট্যাক্স পূর্ববর্তী নিট মুনাফা	১,৬৪৪,১৭৭,৭৬৯
সঞ্চিতি বাদ দেয়ার পর	৪৬৭,৯৯৯,১১০
ট্যাক্স পরবর্তী নিট মুনাফা	১,১৭৬,১৭৮,৬৫৯
যোগ: অবরাদ্ধকৃত মুনাফা	৩,৯২৪,৫৬২,৯৮৩
বিতরণযোগ্য মুনাফা	৫,১০০,৭৪১,৬৪২
বিয়োগ: লভ্যাংশ প্রদান (গত বছর)	১৩৬,৫০০,০০০
অবরাদ্ধকৃত মুনাফা সি/এফ	৪,৯৬৪,২৪১,৬৪২

গত অর্থবছরে (২০২০-২১) কোম্পানি ৩৫% হারে (প্রতি শেয়ার ৩৫ টাকা) নগদ লভ্যাংশ প্রদান করেছে, যার মোট পরিমাণ ১৩.৬৫ কোটি টাকা।

২০২১-২২ অর্থবছরের কোম্পানির সার্বিক কর্মকাণ্ডের বিস্তারিত বিবরণ এবং অন্যান্য অপারেটিং ও আর্থিক তথ্য বার্ষিক প্রতিবেদনের ১৯৪ নং পৃষ্ঠায় “আর্থিক পরিস্থিতি পর্যালোচনা” নামে একটি পৃথক অধ্যায়ে আলোচনা করা হয়েছে।



প্রতিবেদনে সংবিধিবদ্ধ নিরীক্ষক কর্তৃক কোন ধরনের পরিবর্তন, আপত্তি, নেতিবাচক মন্তব্য, পর্যবেক্ষণ বা মতপার্থক্য নেই।

## আর্থিক প্রতিবেদন সম্পর্কে পরিচালকগণের বিবৃতি

কোম্পানির পরিচালনা পর্ষদ, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্ন্যান্স কোড অনুসারে নিচের তথ্যগুলো নিশ্চিত করেছে:

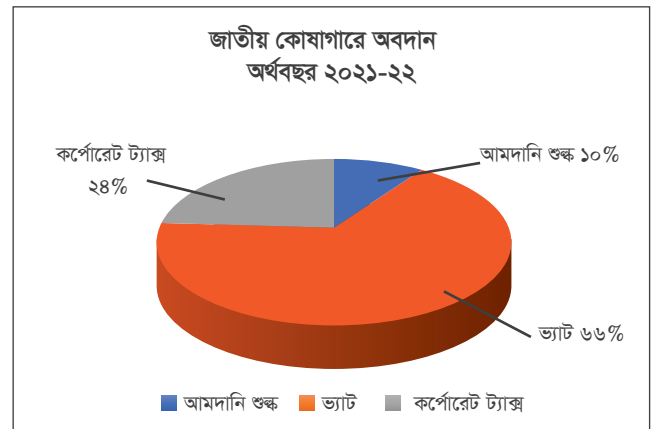
- কোম্পানির ম্যানেজমেন্ট কর্তৃক প্রস্তুতকৃত এই আর্থিক বিবৃতিগুলি প্রতিষ্ঠানের সার্বিক পরিস্থিতি, এর নানান কর্মকান্ডের ফলাফল, নগদ প্রবাহ এবং ইকুইটি পরিবর্তন সঠিকভাবে উপস্থাপন করেছে।
- কোম্পানি সঠিকভাবে হিসাবপত্র সংরক্ষণ করে থাকে।
- আর্থিক বিবৃতি তৈরির প্রতিটি ক্ষেত্রে যথাযথ অ্যাকাউন্টিং নীতিসমূহ প্রয়োগ করা হয়েছে এবং অ্যাকাউন্টিং বিবরণগুলো যুক্তিসঙ্গত এবং যথাযথ।
- আর্থিক বিবৃতি তৈরির ক্ষেত্রে বাংলাদেশে প্রযোজ্য ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ডস (IAS) অথবা ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (IFRS) অনুসরণ করা হয়েছে এবং এর ব্যতিক্রম হলে তা যথার্থভাবে উল্লেখ করা হয়েছে।
- আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সঠিকভাবে প্রণয়ন এবং কার্যকরভাবে প্রয়োগ ও পর্যবেক্ষণ করা হয়েছে।
- প্রত্যক্ষ বা পরোক্ষভাবে ভূমিকা পালনরত নিয়ন্ত্রণকারী শেয়ারহোল্ডারগণ কর্তৃক বা তাদের স্বার্থের অনুকূলে সংখ্যালঘু শেয়ারহোল্ডারগণ সুরক্ষিত হয়েছেন এই মর্মে একটি বিবৃতি এবং এই সংক্রান্ত সমস্যা সুরাহা করার লক্ষ্যে কার্যকর ব্যবস্থা গ্রহণ করা হয়েছে।
- কোম্পানির কার্যক্রম ও দক্ষতা নিয়ে কোন ধরনের সন্দেহের অবকাশ নেই।

## জাতীয় কোষাগারে অবদান

কোম্পানি যথাসময়ে তার প্রত্যক্ষ ও পরোক্ষ কর প্রদানে প্রতিশ্রুতিবদ্ধ। ফলস্বরূপ, কোম্পানি প্রত্যক্ষ ও পরোক্ষ কর প্রদানের মাধ্যমে জাতীয় কোষাগারে উল্লেখযোগ্য অবদান রাখতে সক্ষম হয়েছে। পর্যালোচনাধীন সময়ের মধ্যে, এসএমসি ইএল ১৯৪ কোটি টাকা কর প্রদান করেছে, যার মধ্যে ১৯ কোটি টাকা বিভিন্ন ধরনের কাঁচামাল, প্যাকেজিং সামগ্রী এবং খুচরা যন্ত্রাংশ আমদানিতে শুল্ক হিসেবে, ৪৭ কোটি টাকা কর্পোরেট ট্যাক্স হিসেবে এবং ১২৮ কোটি টাকা বিক্রয়ের ভ্যাট হিসেবে সরকারি কোষাগারে জমা দিয়েছে।

এছাড়াও সরবরাহকারী প্রতিষ্ঠানের বিল থেকে ভিডিএস ও টিডিএস হিসেবে ৪৫ কোটি টাকা কেটে রেখেছি, যা সরকারের রাজস্ব অ্যাকাউন্টে জমা দেয়া হয়েছে।

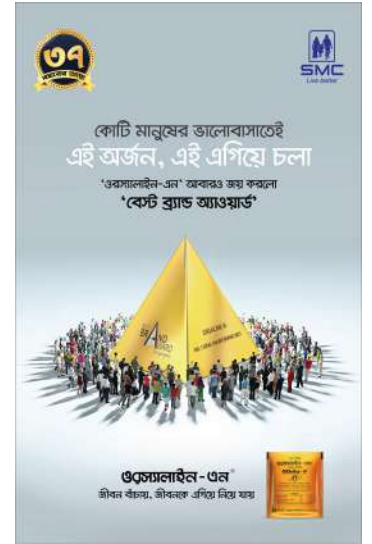
বিবরণ	২০২১-২২ অর্থবছর (কোটি টাকায়)	২০২০-২১ অর্থবছর (কোটি টাকায়)
আমদানি শুল্ক	১৯	২২
ভ্যাট	১২৮	১২০
কর্পোরেট ট্যাক্স	৪৭	৪৬
সর্বমোট	১৯৪	১৬৮





## বিপণন কার্যক্রম

এসএমসি এন্টারপ্রাইজ লিমিটেড মার্কেটে নেতৃস্থানীয় অবস্থান ধরে রাখতে এবং বিভিন্ন ক্যাটেগরিতে শীর্ষস্থান লাভের জন্য প্রতিনিয়ত উদ্ভাবনী পণ্য এবং কার্যকর বিপণন প্রচারাভিযান চালিয়ে যাচ্ছে। রিপোর্টিং বছরে, গ্রাহকদের কাছে নিজস্ব বিভিন্ন ব্র্যান্ডের প্রচার ও প্রসার বৃদ্ধিতে এসএমসি ইএল বেশ কিছু উদ্যোগ হাতে নিয়েছে। এই অর্থবছরে এসএমসি ইএল বেশ কিছু নতুন পণ্য বাজারে নিয়ে এসেছে, যেমন এসএমসি ফুটি, জয়া ভ্যালু প্যাক, জয়া উইংস প্যাক, এসএমসি পিওর পেট্রোলিয়াম জেলি, স্মার্ট পিল, স্মার্ট পিল লাইট এবং জার্ম কিল। কোম্পানি কনডম প্রোডাক্ট পোর্টফোলিওর জন্য সুপারব্র্যান্ডস গ্লোবালের পক্ষ থেকে ইন্টারন্যাশনাল সুপারব্র্যান্ডস অ্যাওয়ার্ড এবং ওরস্যালাইন-এন ব্র্যান্ডের জন্য বাংলাদেশ ব্র্যান্ড ফোরামের পক্ষ থেকে বেস্ট ব্র্যান্ড অ্যাওয়ার্ডের মতো বেশ কিছু সম্মানজনক পুরস্কারে ভূষিত হয়েছে। এছাড়াও স্বাস্থ্য অধিদপ্তর, বিদ্যানন্দ, মাস্কুল ফাউন্ডেশন, এটুআই-এর মতো বিভিন্ন সরকারি ও বেসরকারি সংস্থার সাথে যৌথভাবে বিভিন্ন কার্যক্রম এবং জনসংযোগ (PR) ক্যাম্পেইন পরিচালনার মাধ্যমে কর্পোরেট ব্র্যান্ডকে সবার কাছে আরও বেশি গ্রহণযোগ্য ও পরিচিত করে তুলেছে।



নতুন পণ্য উন্নয়ন ও ব্র্যান্ড কমিউনিকেশনসহ নানান বিপণন কার্যক্রম বিষয়ে বিস্তারিত বিবরণ বার্ষিক প্রতিবেদনের ১৬৬ নং পৃষ্ঠায় “প্রোডাক্ট ডেভেলপমেন্ট অ্যান্ড ব্র্যান্ড কমিউনিকেশন” অধ্যায়ে আলোচনা করা হয়েছে।

## সেলস ডিস্ট্রিবিউশন নেটওয়ার্ক - সরাসরি বিক্রয় ও ডিস্ট্রিবিউটরের মাধ্যমে বিক্রয়

দেশজুড়ে শহর এবং গ্রামের বিপুল সংখ্যক ফার্মেসি ও নন-ফার্মেসি আউটলেটগুলোকে নেটওয়ার্কে অন্তর্ভুক্ত করার মাধ্যমে সেলস ডিস্ট্রিবিউশনের পরিধি আরো বৃদ্ধি করা হয়েছে। ২০২১-২২ অর্থবছরে এসএমসি'র ১২টি এরিয়া অফিসের নিজস্ব সেলস ফোর্স (১৭৭ জন সেলস অফিসার) 1,85,907টি আউটলেটে আমাদের নতুন ও পুরনো পণ্য পৌঁছে দেয়, যার মাঝে ৮৫% (1,57,832) ছিল ফার্মা আউটলেট এবং ১৫% (28,075) ছিল নন-ফার্মা আউটলেট। সরাসরি বিক্রয় থেকে ৬৬৯ কোটি টাকা রাজস্ব অর্জিত হয়।

অন্যদিকে ৩৩৫টি অনুমোদিত ডিস্ট্রিবিউটরের মাধ্যমে দেশব্যাপী 5,29,862টি নন-ফার্মা আউটলেট থেকে ৪৫৭ কোটি টাকা আয় হয়, যার পরিমাণ ২০২০-২১ অর্থবছরে ছিল ৩৩৬ কোটি টাকা। ডিস্ট্রিবিউশন সেলস বৃদ্ধির হার ছিল ৩৫%। এছাড়া এনজিও, হাসপাতাল ও ক্লিনিকসহ ৬৪৬টি প্রতিষ্ঠানেও আমাদের পণ্য পৌঁছে দেয়া হয়।

প্রতিবেদনকালীন সময়ে আমাদের পণ্যের চাহিদা বৃদ্ধি এবং নতুন পণ্যের পরিচিতির জন্য বিপুল সংখ্যক প্রচারণামূলক কার্যক্রম পরিচালনা করা হয়। এর মাঝে ছিল রুরাল মেডিকেল প্র্যাক্টিশনার (আরএমপি), পল্লী চিকিৎসক (পিসি) এবং কমিউনিটি পর্যায়ের স্বাস্থ্য সেবাপ্রদানকারীদের নিয়ে স্বল্প পরিসরে স্বাস্থ্য-বিষয়ক গ্রুপ ডিটেইলিং সেশন পরিচালনা করা।

রিপোর্টিং বছরে এসএমসি ইএল 98,736 জন ডাক্তার, এনজিও কর্মী, নন-গ্র্যাজুয়েট স্বাস্থ্যকর্মী, ধাত্রী এবং স্কুল শিক্ষার্থীদের নিয়ে বিভিন্ন প্রচারণামূলক সেশন করে যদিও লক্ষ্যমাত্রা ছিল 1,06,260 জন। বছরের প্রথমার্ধে মহামারির কারণে পরিকল্পনা মাফিক প্রচারণা করা সম্ভব হয়নি বলে লক্ষ্যমাত্রা থেকে ৭% কম প্রচারণা করা হয়। বছরের দ্বিতীয়ার্ধে এই ঘাটতি পূরণের সর্বাত্মক চেষ্টা করা হয়।

বার্ষিক প্রতিবেদনের ১৭৯ নং পৃষ্ঠায় “সেলস ডিস্ট্রিবিউশন নেটওয়ার্ক” অধ্যায়ে বিক্রয় কার্যক্রম বিষয়ে আরও বিস্তারিত বিবরণ পাওয়া যাবে।



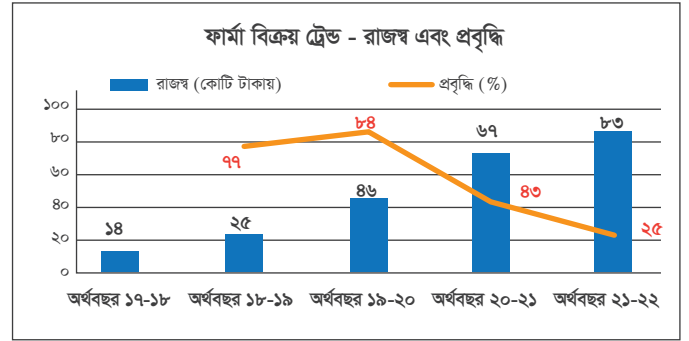
## ফার্মা বিভাগ

প্রতিষ্ঠালগ্ন থেকেই ফার্মা বিভাগের মূল লক্ষ্য ছিল সমাজের স্বল্প আয়ের জনগণের কাছে সশরী মূল্যে মানসম্পন্ন ঔষধ পৌঁছে দেয়া। এই উদ্দেশ্যকে সামনে রেখেই ফার্মা বিভাগ নানান প্রতিযোগিতা ও প্রতিকূলতার মাঝেও নিজের পরিচয় সাফল্যের সাথে ধরে রাখতে পেরেছে।

রিপোর্টিং বছরে ফার্মা বিভাগ ৩৬ ধরনের ওটিসি ও থেরাপিউটিক

পণ্য বিক্রয়ের মাধ্যমে ৮৩ কোটি টাকার ব্যবসা করেছে, যা ছিল আগের বছরের তুলনায় ২৫% বেশি এবং পরিচালন মুনাফা ছিল ৬ কোটি টাকা। এসকল পণ্যের মধ্যে ছিল অ্যান্টিবায়োটিক, এনএসএইডস, অ্যান্টিহিস্টামিন, অ্যান্টিঅ্যাজমাটিক ও মিনারেল সাপ্লিমেন্ট।

প্রতিবেদনকালীন সময়ে ফার্মা টিম বাজারে নিয়ে আসে জিফডে ক্যাপসুল (প্রবল ও দীর্ঘস্থায়ী রক্তক্ষরণ, রক্তস্বল্পতা প্রতিরোধে কার্যকর) এবং সেক্সিম ট্যাবলেট (ইউটিআই ও ব্রঙ্কাইটিস প্রতিরোধে কার্যকর)। আমি আনন্দের সাথে জানাচ্ছি যে জিফডে ক্যাপসুল আমাদের ভালুকা ফ্যাক্টরিতে উৎপাদিত হচ্ছে।



ফার্মা মার্কেটিং, প্রচারণা এবং নতুন পণ্য বিষয়ক বিস্তারিত তথ্য বার্ষিক প্রতিবেদনের ১৮৬ নং পৃষ্ঠায় “ফার্মা মার্কেটিং” নামে একটি পৃথক অধ্যায়ে বিশদভাবে আলোচনা করা হয়েছে।

## উৎপাদন ব্যবস্থাপনা

### ওরস্যালাইন-এন ভালুকা ফ্যাক্টরি

ময়মনসিংহের ভালুকায় অবস্থিত এসএমসি ইএল-এর ওআরএস উৎপাদন ফ্যাসিলিটি হচ্ছে আইএসও ৯০০১ঃ২০১৫ সনদপ্রাপ্ত এবং সিজিএমপি কমপ্লায়েন্ট। ক্রমবর্ধমান চাহিদা পূরণ এবং বেশি মাত্রায় রাজস্ব অর্জনের লক্ষ্যে অত্যাধুনিক এই কারখানা ২৪ ঘণ্টা চালু থাকে। ওরস্যালাইন-এন সহ এসএমসি ইএল-এর মোট ৫৪টি রেজিস্টারকৃত ফার্মা প্রোডাক্ট আছে। এই পণ্যগুলোর মধ্যে, ফার্মা বিক্রয় ও বিপণন চাহিদা পূরণে নিজস্ব কারখানায় এবং টোল ম্যানুফ্যাকচারিং এর মাধ্যমে মোট ৩৯টি পণ্য প্রস্তুত করা হয়। এছাড়াও এখানে একটি ফুড ম্যানুফ্যাকচারিং ডিভিশন (এফএমডি) আছে, যেখানে ‘টেস্ট মি’ এবং ‘বোল্ট’ এনার্জি ড্রিংক তৈরি করা হয়।

২০২১-২২ অর্থবছরে ১০০ কোটি স্যাশে টার্গেটের বিপরীতে ওআরএস ফ্যাক্টরি ১০০% উৎপাদন ক্ষমতাকে কাজে লাগিয়ে ১০২ কোটি ওরস্যালাইন-এন স্যাশে উৎপাদন করে, যা ছিল লক্ষ্যমাত্রার চেয়ে ১% বেশি। ২০২১-২২ অর্থবছরে ১২টি প্রোডাকশন লাইন কাজে লাগিয়ে পূর্ণ উদ্যমে উৎপাদন সক্ষমতা বৃদ্ধির মাধ্যমে প্রোডাকশন লক্ষ্যমাত্রা ১০০ কোটি স্যাশে-তে উন্নীত করা হয়েছে।





এছাড়াও ওআরএস ফ্যাক্টরিতে ১ গ্রাম মাইক্রোনিউট্রিয়েন্ট পাউডার মনিমিক্স, প্রাজোম্যাক্স ২০, প্রাজোম্যাক্স ৪০, এসোমিয়াম ২০ এবং এসোমিয়াম ৪০ ক্যাপসুল উৎপাদিত হয়।

## হেলথ অ্যান্ড হাইজিন ফ্যাক্টরি

কুমিল্লার বাউবন্দে অবস্থিত হেলথ অ্যান্ড হাইজিন ফ্যাক্টরিও একটি আইএসও ৯০০১৪২০১৫ সনদপ্রাপ্ত ও বিএসটিআই লাইসেন্সকৃত অত্যাধুনিক উৎপাদন ফ্যাক্টরি। জনগণের অত্যাৱশ্যকীয় স্বাস্থ্যবিধির চাহিদা পূরণের লক্ষ্যে সেরা মানের পণ্য নির্মাণের জন্য এই ফ্যাক্টরিতে আছে পিএলসি ভিত্তিক ফুল সার্ভো কন্ট্রোল ফ্যাসিলিটিসহ অত্যাধুনিক মেশিন। এই ফ্যাক্টরিতে বর্তমানে নিচের পণ্যগুলো উৎপাদিত হচ্ছে।

- জয়া স্যানিটারি ন্যাপকিন বেল্ট টাইপ
- জয়া স্যানিটারি ন্যাপকিন উইংস টাইপ
- আইল বেবি ডায়াপার বেল্ট টাইপ
- আইল বেবি ডায়াপার প্যান্ট টাইপ
- আইল বেবি ওয়াইপস
- আইল ওয়েট ওয়াইপস



ক্রমবর্ধমান চাহিদা মেটাতে এখানে তিন শিফটে ২৪ ঘণ্টা উৎপাদন কাজ চলে। বেল্ট টাইপ স্যানিটারি ন্যাপকিনের উৎপাদন ক্ষমতা ২৭% বৃদ্ধির কথা বিবেচনা করে দুটি নতুন মেশিন স্যানিটারি ন্যাপকিন বেল্ট- ৩ এবং ন্যাপকিন বেল্ট- ৪ স্থাপন করা হয় এবং যথাক্রমে ০৮ জানুয়ারী, ২০২২ এবং ৩১ মে, ২০২২ তারিখে বাণিজ্যিক উৎপাদন শুরু হয়। এছাড়াও আমি আনন্দের সাথে জানাতে চাই যে, ২০২১ সালের জুলাই মাসে একটি প্যান্ট টাইপ বেবি ডায়াপার মেশিন বসানো হয়েছে, যা ২০২১ সালের আগস্ট মাস থেকে উৎপাদন শুরু করেছে।

বার্ষিক প্রতিবেদনের ১৮৫ নং পৃষ্ঠায় “উৎপাদন সুবিধা” নামক একটি পৃথক অধ্যায়ে ম্যানুফ্যাকচারিং এবং উৎপাদন সুবিধা সম্পর্কে বিশদ আলোচনা করা হয়েছে।

## উল্লেখযোগ্য গবেষণা কার্যক্রম - এসএমসি ইএল

বিক্রয় ও বিপণন উদ্যোগের প্রভাব মূল্যায়ন, নতুন পণ্য বাজারে নিয়ে আসার সম্ভাব্যতা যাচাই এবং গ্রাহকদের চিন্তাধারা বোঝার জন্য প্রতি বছর এসএমসি ইএল বেশ কিছু গবেষণা কার্যক্রম পরিচালনা করে থাকে। বাজারের পরিস্থিতি এবং পাশাপাশি বিভিন্ন আভ্যন্তরীণ ও বাহ্যিক অবস্থা বুঝে বাজারের বর্তমান পরিস্থিতি ও ভবিষ্যৎ পরিকল্পনা তৈরির জন্য এসকল প্রাথমিক গবেষণা তথ্যাদি ব্যবহার করা হয়। প্রতিবেদনকালীন সময়ে কোম্পানির বিক্রয় ও বিপণন বিভাগ গ্রাহকদের চাহিদা, মনোভাব ও আচরণ বোঝার জন্য চলতি অর্থবছরে তিনটি বড় গবেষণা প্রকল্প হাতে নেয়। প্রকল্পগুলো হচ্ছে:

- ওরস্যালাইন-এন এর বাজার পরিস্থিতি বিশ্লেষণে এর ব্যবহার ও গ্রাহকদের মনোভাব
- আরএমজি কর্মীদের সাথে মাসিক স্বাস্থ্যবিধি অনুশীলনের উপর অধ্যয়ন
- ওরস্যালাইন-এন-এর ক্যাম্পেইন পরবর্তী মূল্যায়ন

গবেষণা কার্যক্রমের বিশদ বিবরণ বার্ষিক প্রতিবেদনের ১৭৬ নং পৃষ্ঠায় “এসএমসি ইএল-এর গবেষণা কার্যক্রম” নামে একটি পৃথক অধ্যায়ে আলোচনা করা হয়েছে।



## সাপ্লাই চেইন ম্যানেজমেন্ট (SCM)

### পণ্য ক্রয়

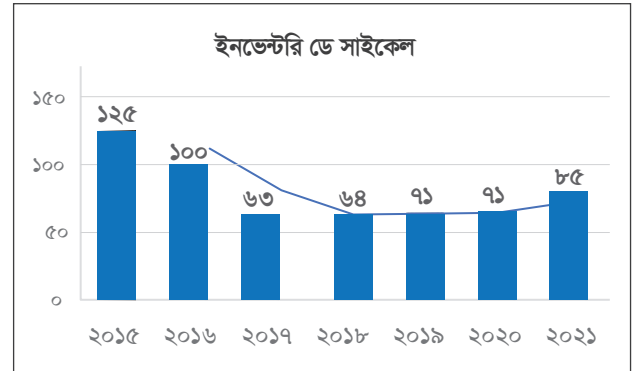
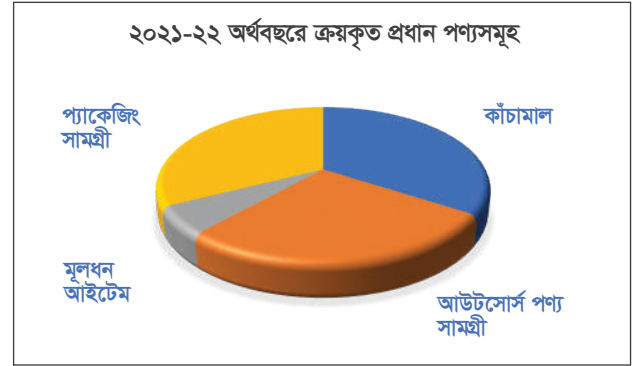
সাপ্লাই চেইনের মূল লক্ষ্য হলো প্রকিওরমেন্ট ম্যানুয়ালে নির্দেশিত ন্যায্য প্রতিযোগিতা ও স্বচ্ছতার নিয়মাবলী মেনে সেরা মানের পণ্যাদি সাশ্রয়ী মূল্যে ক্রয় করা।

আমাদের ডিমান্ড প্ল্যানিং অ্যান্ড ইনভেন্টরি ম্যানেজমেন্ট (DPIM) টিম সর্বদা ইনভেন্টরির অবস্থা পর্যবেক্ষণ করছে এবং একটি নির্দিষ্ট সময়ের জন্য কোম্পানির লক্ষ্যমাত্রা অর্জনে সম্ভাব্য চাহিদার বিপরীতে সরবরাহ নিশ্চিত করে। খরচের কথা মাথায় রেখে সঠিক সময়ে সঠিক পণ্য নিশ্চিত করার লক্ষ্যে বিভাগটি উৎপাদন ও অর্থের মধ্যে সমন্বয় সাধনে গুরুত্বপূর্ণ ভূমিকা পালন করে থাকে।

এসএমসি ইএল ২০২১-২২ অর্থবছরে ক্রয়বাবদ মোট ৬৭২ কোটি টাকা খরচ করে, যার মধ্যে ছিল ৬২৬ কোটি টাকার পণ্য, প্যাকেজিং ও কাঁচামাল এবং ৪৬ কোটি টাকার ক্যাপিটাল আইটেম।

এছাড়াও ম্যানেজমেন্ট এবং বোর্ড প্রায় ২,০০০টি প্রকিওরমেন্ট প্রস্তাব অনুমোদন দেয় এবং রিপোর্টিং বছরে প্রায় ৩০০ টি ঋণপত্র (LC) খোলা হয়।

ইনভেন্টরি লেভেলের কার্যকারিতা রক্ষার জন্য পরিকল্পিত বিক্রয়ের কথা মাথায় রেখে কোম্পানি বছর শেষে ১০৫ দিনের ইনভেন্টরি লেভেল বজায় রেখেছে। যদিও এই সংখ্যাটি গত বছরের তুলনায় বেশি, কিন্তু ইন্ডাস্ট্রিতে প্রচলিত ১২০ দিনের ইনভেন্টরি প্র্যাকটিসের তুলনায় আমরা ভালো অবস্থানে আছি। করোনা মহামারি এবং ইউরোপে চলমান বিদ্রোহে বিশ্বজুড়ে পর্যুদস্ত অর্থনৈতিক পরিস্থিতি মোকাবেলা করার জন্য আমরা এই পদক্ষেপ নেই। ইন্ডাস্ট্রির প্রচলিত ১২০ দিনের পরিবর্তে আমাদের ১০৫ দিনের ইনভেন্টরির ব্যবস্থা কোম্পানির কার্যকরী মূলধনের প্রয়োজনীয়তাকে কমিয়ে রাখে, যা সুযোগ ব্যয়কে সুরক্ষিত রাখে।



### খরচ সাশ্রয়ী প্রকল্প

চলতি বছরে সাপ্লাই চেইন ম্যানেজমেন্ট ২১টি খরচ সাশ্রয়ী প্রকল্প হাতে নেয়। এর মধ্যে বেশিরভাগ প্রকল্পই বাস্তবায়নের নানান ধাপে আছে যা থেকে উল্লেখযোগ্য পরিমাণ খরচের সাশ্রয় হবে। ওআরএস ফয়েলের পুরাতন ৯ মাইক্রন থেকে ৭ মাইক্রনে নিয়ে আসা, শিপমেন্টের ধরণ, ইনসার্ট ও ব্রশিওর মাইক্রন বাদ দেয়া, ইউ-পাস/এলসি ইস্যু ইত্যাদি থেকে বেশি পরিমাণ খরচের সাশ্রয় হবে।

### মানব সম্পদ ব্যবস্থাপনা

চলতি বছরে এসএমসি ইএল-এ ১,৫৮৭ জন কর্মী কাজ করছে, যাদের মধ্যে ৯৬৭ জন ম্যানেজমেন্ট কর্মী এবং ৬২০ জন নন-ম্যানেজমেন্ট কর্মী। এদের মধ্যে নারী ও পুরুষ কর্মী ছিল যথাক্রমে ১০১ এবং ১,৪৮৬ জন। নারী-পুরুষ অনুপাত বৃদ্ধির মাধ্যমে নারীর অংশগ্রহণকে সক্রিয় করার ওপর বিশেষ জোর দেয়া হচ্ছে। এছাড়াও, নৈমিত্তিক ও দৈনিক ভিত্তিতে কর্মচারী রয়েছে ১,৬২৭ জন। চলতি বছরে এসএমসি ইএল ম্যানেজমেন্ট ও নন-ম্যানেজমেন্ট ক্যাটাগরিতে ২৪১ জন নতুন কর্মী নিয়োগ করেছে।



প্রতিষ্ঠানের সার্বিক কর্মদক্ষতা বৃদ্ধির লক্ষ্যে মানবসম্পদ বিভাগ কর্তৃক ১,৩০৭ জন কর্মীর অংশগ্রহণে বিভিন্ন প্রশিক্ষণ কর্মসূচি পরিচালনা করা হয়। এর মধ্যে উল্লেখযোগ্য ছিল বিক্রয় দক্ষতা এবং বিক্রয় ব্যবস্থাপনা, 5S এবং কাইজেন, কর্মক্ষেত্রে চাপ এবং রাগ ব্যবস্থাপনা, ফার্মাসিউটিক্যাল পণ্যের বিক্রয় দক্ষতা ইত্যাদি।

প্রতিষ্ঠানে নারী-পুরুষের সমতা আনয়নের লক্ষ্যে এবং এর কার্যকারিতা বৃদ্ধির জন্য কোম্পানি সম্প্রতি নতুন জেন্ডার পলিসি তৈরী করেছে। এছাড়াও কোম্পানির অ্যাডমিনিস্ট্রিটিভ অ্যান্ড সার্ভিস ম্যানুয়েলকে সমন্বয়পযোগী করার লক্ষ্যে এতে নানান পরিবর্তন এবং সংশোধন করা হচ্ছে যাতে একটি আপডেট সংস্করণ তৈরি করা যায়।

হিউম্যান রিসোর্স ম্যানেজমেন্টের বিশদ বিবরণ বার্ষিক প্রতিবেদনের ১৯১ নং পৃষ্ঠায় “মানব সম্পদ ব্যবস্থাপনা” নামক একটি পৃথক অধ্যায়ে আলোচনা করা হয়েছে।

## ইন্ডাস্ট্রিয়াল রিলেশন

কোম্পানি সুস্থ ও শান্তিপূর্ণ ইন্ডাস্ট্রিয়াল সৌহার্দ্য বজায় রেখেছে, যা প্রতিষ্ঠানের টেকসই উন্নয়নের একটি অন্যতম প্রধান চাবিকাঠি। এসএমসি ইএল-এ দুটি সংগঠিত শ্রমিক ইউনিয়ন রয়েছে। সরকারি নিয়মমারফিক প্রতি দুই বছর অন্তর শান্তিপূর্ণভাবে সিবিএ নির্বাচন অনুষ্ঠিত হয়। ম্যানেজমেন্ট এবং সিবিএ উভয়ই কোম্পানির নীতি এবং আচরণবিধির প্রতি শ্রদ্ধাশীল। নবনির্বাচিত সিবিএ কোম্পানির ম্যানেজমেন্টের কাছে তাদের চার্টার অব ডিমান্ড পেশ করেছে। চার্টার অব ডিমান্ডসের সমঝোতার জন্য ম্যানেজমেন্ট ও সিবিএ বেশ কয়েকবার মিলিত হয়ে একটি ঐক্যমতে পৌঁছেছে। তারা পর্যায়ক্রমে ও যখন প্রয়োজন হয় তখনই বৈঠক করেন এবং যেকোনো বিরোধ নিষ্পত্তিতে যৌথভাবে তার মিমাংসা করেন।

## আইসিটি কার্যক্রম

ইনফরমেশন অ্যান্ড কমিউনিকেশন টেকনোলজি (আইসিটি) বিভাগ সবসময়ই এসএমসি ইএল-এর ব্যবসায়িক কর্মকাণ্ডের স্বয়ংক্রিয়তা ও ডাটা নিরাপত্তার ওপর জোর দিয়ে থাকে। ব্যবসায়িক কার্যক্রমে পরিচালনগত উৎকর্ষতা বৃদ্ধির মাধ্যমে ব্যয় দক্ষতা আনয়নে বিভাগটি প্রশংসনীয় ভূমিকা পালন করেছে। প্রতিবেদনকালীন সময়ে আইসিটি বিভাগ কোম্পানির সিদ্ধান্ত গ্রহণের প্রক্রিয়াকে ত্বরান্বিত করতে নিম্নলিখিত প্রধান কর্মকাণ্ডগুলো সফলভাবে সম্পাদন করেছে:

- নিরবচ্ছিন্ন কম্পিউটার নেটওয়ার্ক সংযোগ নিশ্চিত করার জন্য ১২টি সেলস অফিসের লোকাল এরিয়া নেটওয়ার্ক (LAN) নতুন করে পুনর্গঠন করা হয়েছে।
- এইচ অ্যান্ড এইচ ফ্যাক্টরি ও ভালুকা ফ্যাক্টরির বর্ধিত ভবনগুলোতে ল্যান ও সারভেইলেন্স সহ সামগ্রিক আইসিটি অবকাঠামো স্থাপন করা হয়েছে।
- কনজিউমার সেলস কর্মকাণ্ডের অন-লাইন নগদ লেনদেন নিশ্চিত করার জন্য স্বয়ংক্রিয় নগদ অটোমেশনের উপর একটি সম্ভাব্যতা সমীক্ষা করা হয়েছে।
- মোবাইল অ্যাপ ও ওয়েব অ্যাপ্লিকেশনের সাথে সামঞ্জস্য রক্ষা করার জন্য ফার্মাসিউটিক্যাল ও ইনভেন্টরি ম্যানেজমেন্ট সিস্টেমের সেলস নতুন করে সাজানো হয়েছে।
- প্রধান কার্যালয়ের উপস্থিতি সিস্টেমের বর্ধিত মডিউলের অংশ হিসেবে, ১২টি এরিয়া অফিসে কর্মচারী উপস্থিতি ব্যবস্থাপনা সিস্টেম ইনস্টল করা হয়েছে।

## প্রাতিষ্ঠানিক সুশাসন

কোম্পানির পরিচালকের প্রতিবেদন কোম্পানি আইন ১৯৯৪-এর ১৮৪(১) ধারা এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট গভর্ন্যান্স কোড ২০১৮ অনুসারে প্রস্তুত করা হয়।

এসএমসি ইএল বিশ্বাস করে যে, প্রাতিষ্ঠানিক সুশাসন, মূল্যবোধ এবং কৌশলগত দায়িত্বের অধীনে কোম্পানির ব্যবসায়িক কার্যক্রম সুষ্ঠু ও স্বচ্ছভাবে পরিচালনা করা অপরিহার্য। কোম্পানির জন্য, কর্পোরেট গভর্নেন্স একটি নৈতিক ব্যবসায়িক প্রক্রিয়াকে প্রতিনিধিত্ব করে যার লক্ষ্য হলো প্রাতিষ্ঠানিক খ্যাতি, সুনাম এবং স্থায়িত্ব বৃদ্ধি করা। আমরা বিশ্বাস করি আমাদের সুশাসন প্রক্রিয়াসমূহ কর্পোরেট নীতি



এবং কৌশল অবলম্বনে স্বচ্ছতা প্রদান করে, আমাদের সিদ্ধান্ত গ্রহণের প্রক্রিয়াকে পরিমার্জিত করতে সহায়তা করে। এটি আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাকে শক্তিশালী করার মাধ্যমে কোম্পানীর সকল স্টেকহোল্ডারদের সাথে ইতিবাচক সম্পর্ক গড়ে তুলতে সহায়তা করে থাকে। আমরা স্বচ্ছতায় বিশ্বাস করি এবং সর্বদা প্রাতিষ্ঠানিক সুশাসনের সর্বোত্তম অনুশীলনগুলো মেনে চলতে প্রতিশ্রুতিবদ্ধ।

এসএমসি ইএল-এর পর্যাপ্ত আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা রয়েছে যার মাধ্যমে বোর্ড শক্তিশালী ও স্বাধীন বোর্ড উপ-কমিটি দ্বারা উভয় কোম্পানির সার্বিক কার্যক্রম পরিচালনায় সহযোগিতা করে থাকে। কর্পোরেট সুশাসন বিষয়ক বিশদ বিবরণ বার্ষিক প্রতিবেদনের ৭৪তম পৃষ্ঠায় “প্রাতিষ্ঠানিক সুশাসন প্রতিবেদন” নামে একটি পৃথক অধ্যায়ে আলোচনা করা হয়েছে।

## বোর্ড সভা এবং উপস্থিতি

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশন এবং কোম্পানি আইন ১৯৯৪-এর ৯৬ ধারা অনুযায়ী প্রতি ত্রৈমাসিকে একবার এবং বছরে চারবার বোর্ড সভার আয়োজন করা বাঞ্ছনীয়। ২০২১-২২ অর্থবছরে কোম্পানির পরিচালনা পর্ষদ মোট ১১ বার বোর্ড সভার আয়োজন করে। প্রতিটি বোর্ড সভার নোটিশ সভা অনুষ্ঠিত হওয়ার আগে লিখিতভাবে পেশ করা হয়। ২০২১-২২ অর্থবছরে বোর্ড সভা এবং পরিচালকমন্ডলীর উপস্থিতির সংখ্যা নীচে তালিকাভুক্ত করা হলো:

ক্রমিক সংখ্যা	পরিচালকগণের নাম	এসএমসি ইল বোর্ডে অবস্থান	বোর্ড মিটিংয়ে উপস্থিতির সংখ্যা (এসএমসি ইল)
১.	জনাব ওয়ালিউল ইসলাম	চেয়ারম্যান	১১ (১১)
২.	ডাঃ জহির উদ্দিন আহমেদ	পরিচালক	১১ (১১)
৩.	জনাব মোহাম্মদ আলী	পরিচালক	১১ (১১)
৪.	জনাব সিদ্দিকুর রহমান চৌধুরী	পরিচালক	১১ (১১)
৫.	জনাব মোহাম্মদ ফরহাদ হোসেন এফসিএ	পরিচালক	১১ (১১)
৬.	জনাব আফতাব উল ইসলাম এফসিএ	পরিচালক	১১ (১১)
৭.	জনাব মোহাম্মদ সিদ্দিক উল্লাহ	পরিচালক	১০ (১১)
৮.	জনাব মোহাম্মদ আলী রেজা খান	পরিচালক	১১ (১১)
৯.	জনাব আব্দুল হক	ব্যবস্থাপনা পরিচালক, এসএমসি ইল পদাধিকারবলে পরিচালক	১১ (১১)

## কর্পোরেট সোশ্যাল রেসপন্সিবিলিটি

কোম্পানি সামাজিক কল্যাণের প্রতি তার দায়িত্ব সম্পর্কে সচেতন যা সামাজিক কমিউনিটি এবং তৃণমূল পর্যায়ে জীবনব্যবস্থার টেকসই উন্নয়নে অবদান রাখতে সহায়তা করে। চলতি বছরে এসএমসি ইএল বিভিন্ন সামাজিক সংস্থার মাধ্যমে সিলেট ও দেশের উত্তর-পূর্বাঞ্চলের বন্যা দূর্গত এলাকায় ১৯,১৩,২৬৯ টাকার ওরস্যালাইন-এন এবং জয়া স্যানিটারি ন্যাপকিন বিতরণ করে।

## সংবিধিবদ্ধ নিরীক্ষক নিয়োগ

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ১১৩ অনুচ্ছেদ এবং কোম্পানি আইন ১৯৯৪ এর ২১০-২১৩ ধারা অনুযায়ী কোম্পানির সংবিধিবদ্ধ নিরীক্ষক ম্যাবস এন্ড জে পার্টনারস চার্টার্ড অ্যাকাউন্ট্যান্টস ৮তম বার্ষিক সাধারণ সভায় অবসর নেবে এবং ২০২২-২৩ এর জন্য নতুন সংবিধিবদ্ধ নিরীক্ষক নিয়োগ করতে হবে। কোম্পানির নিয়ম অনুসারে প্রতি তিন বছর পর পর সংবিধিবদ্ধ নিরীক্ষক পরিবর্তন করা আবশ্যিক। সোশ্যাল মার্কেটিং কোম্পানীর সহযোগী প্রতিষ্ঠান হিসেবে একই সংবিধিবদ্ধ নিরীক্ষক নিয়োগ করা বেশি কার্যকরী হবে। মেসার্স ম্যাবস অ্যান্ড জে পার্টনারস চার্টার্ড অ্যাকাউন্ট্যান্টস, ২০২২-২৩ অর্থবছরের জন্য এসএমসি ইএল-এর সংবিধিবদ্ধ নিরীক্ষক হিসেবে অন্য একটি চার্টার্ড অ্যাকাউন্ট্যান্ট ফার্ম নিয়োগের জন্য একটি ‘নো অবজেকশন সার্টিফিকেট’ (NOC) পেশ করে। এ কারণে



পরিচালনা পর্ষদ ACNABIN, চার্টার্ড অ্যাকাউন্ট্যান্টস নিয়োগের সুপারিশ করে যার অডিট ফি 5,25,000 টাকা (ভ্যাট ছাড়া)। মেসার্স ACNABIN, চার্টার্ড অ্যাকাউন্ট্যান্টস-কে নিরীক্ষক হিসেবে নিযুক্ত করার প্রস্তাব কোম্পানির বার্ষিক সাধারণ সভায় উত্থাপন করা হবে।

## সংশ্লিষ্ট পক্ষের লেনদেন

আর্থিক বিবরণীর ২৮ নং নোটে “রিলেটেড পার্টি ডিসক্লোজার্স আন্ডার আইএএস ২৪”-এ যেসব পার্টির সাথে লেনদেন হয়েছে এবং তাদের সাথে কোম্পানির সম্পর্কের ব্যাপারে বিস্তারিত বিবরণ দেয়া আছে।

## কোম্পানির চেয়ারম্যান নিযুক্তি

গত ৫ সেপ্টেম্বর, ২০২১ তারিখে অনুষ্ঠিত এসএমসি বোর্ড-এর পরিচালনা পর্ষদ জনাব ওয়ালিউল ইসলামকে কোম্পানির চেয়ারম্যান হিসেবে নিযুক্ত করে যা ৭ সেপ্টেম্বর ২০২১ তারিখ থেকে কার্যকর হয়। এসএমসি ইএল-এর আর্টিকেলস অব অ্যাসোসিয়েশনের ৯০ ধারা অনুসারে তিনি একই সাথে এসএমসি ইএল বোর্ডেরও চেয়ারম্যানের দায়িত্ব পালন করবেন।

## ২০২২-২৩ এবং আমাদের আগামী

এসএমসি ইএল বর্তমান ব্যবসায়িক প্রবৃদ্ধির সাথে তাল মেলাতে দীর্ঘমেয়াদি ব্যবসায়িক কর্মকৌশলকে বিবেচনায় রেখে সামনে এগিয়ে যাচ্ছে। এই লক্ষ্যে একটি পাঁচ বছর মেয়াদী ব্যবসায়িক পরিকল্পনা তৈরি করা হয়েছে।

বিক্রয় প্রবৃদ্ধির ধারা অব্যাহত রাখতে কন্ট্রাক্ট/টোল ম্যানুফ্যাকচারিং-এর মাধ্যমে উৎপাদন ক্ষমতা বৃদ্ধি করেছে এবং প্রতিষ্ঠানের আভ্যন্তরীণ ও কন্ট্রাক্ট ম্যানুফ্যাকচারিং-এর মাঝে সামঞ্জস্যতা বজায় রেখেছে। এসএমসি ইএল গাজিপুরের ভবানিপুরে নতুন দ্রুত চলমান ভোগ্যপণ্য (FMCG) ফ্যাক্টরিতে নিজের সর্ববৃহৎ উৎপাদন কারখানা নির্মাণের কাজ শুরু করেছে। কারখানাটি ২০২৩ সালে উৎপাদন শুরু করবে বলে আশা করা যাচ্ছে। কারখানাটি এসএমসি পণ্যের ক্রমবর্ধমান চাহিদা পূরণের পাশাপাশি ধীরে ধীরে অন্যান্য ফুড প্রোডাক্ট, অর্থাৎ এসএমসি ফুটি, টেস্ট মি এবং বোল্ট-এর উৎপাদন ফ্যাসিলিটি ভালুকা থেকে ভবানিপুরে সরিয়ে আনা হবে। এই বর্ধিত উৎপাদন ক্ষমতা এবং কৌশলগত অবস্থানের মাধ্যমে এসএমসি ইএল আরও সহজে দেশব্যাপী গ্রাহকদের চাহিদা পূরণ করতে পারবে।

কোম্পানি বাজারে নেতৃত্বের অবস্থান ধরে রাখতে প্রতিনিয়ত বিভিন্ন ব্র্যান্ডে বিনিয়োগ করেছে এবং গ্রাহকদের কাছে সেরা পণ্য পৌঁছে দিচ্ছে। এছাড়াও বিপুল জনগোষ্ঠীর দৌড়গোড়ায় আমাদের পণ্য পৌঁছে দেয়ার লক্ষ্যে ডিস্ট্রিবিউশন নেটওয়ার্ককে আরো সম্প্রসারিত করা হচ্ছে। এসএমসি ইএল বিষয়ভিত্তিক জ্ঞান এবং সময়োপযোগী ও কার্যকর প্রশিক্ষণ প্রদানের মাধ্যমে সর্বস্তরের কর্মীদের দক্ষতা ও মেধার বিকাশে সংকল্পবদ্ধ। ২০২৫ সালের মধ্যে আমাদের ব্যবসায়িক পরিধি দ্বিগুণ করার লক্ষ্যে কর্মীদের সার্বিক কল্যাণ, স্বাস্থ্য, নিরাপত্তা এবং একটি উচ্ছল, নিরাপদ কর্মক্ষেত্র তৈরী ও বাস্তবায়ন করতে হবে।

## কোম্পানির উল্লেখযোগ্য বিভিন্ন পরিকল্পনা:

- আগামী চার থেকে পাঁচ বছরের মধ্যে ব্যবসার পরিমাণ দ্বিগুণ করা।
- ক্রমবর্ধমান চাহিদা মেটাতে উৎপাদন ক্ষমতা বৃদ্ধি করা।
- বিস্কুট এবং অন্যান্য ক্ষেত্রে ব্যবসায়িক সম্ভাবনা বিশ্লেষণ।
- ওরস্যালাইন-এন নতুন আঙ্গিকে বাজারে নিয়ে আসা এবং ওরস্যালাইন-এন ও টেস্ট মি-র উৎপাদন ক্ষমতা বৃদ্ধি করা।
- এন্টারপ্রাইজ রিসোর্স প্ল্যানিং (ERP)-SAP বাস্তবায়নের মাধ্যমে ব্যবসায়িক বিভিন্ন প্রক্রিয়ার স্বয়ংক্রিয়তা বৃদ্ধি ও বাস্তবায়ন করা।
- সঠিক সময়ে সম্ভাব্যতা যাচাইয়ের মাধ্যমে ফার্মা ফ্যাক্টরি নির্মাণ করে একটি ফার্মাসিউটিক্যাল ম্যানুফ্যাকচারিং ফ্যাসিলিটি স্থাপন করা।



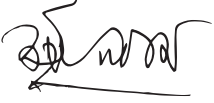
## ব্যালেন্স শিট পরবর্তী কর্মসূচি

ব্যালেন্স শিট/প্রতিবেদনের তারিখের পরে উল্লেখ করার মতো কোন ঘটনা ঘটেনি যা আর্থিক বিবরণীতে গৃহীত কোন সিদ্ধান্তকে প্রভাবিত করে।

## কৃতজ্ঞতা স্বীকার

বোর্ড আরও একবার কোম্পানির সকল কর্মীদের তাদের কঠোর পরিশ্রম, নিষ্ঠা ও আন্তরিকতার জন্য ধন্যবাদ জানাচ্ছে। পরিচালনা পর্ষদের পক্ষ থেকে আমি বোর্ডের প্রত্যেক সদস্যকে আন্তরিকভাবে ধন্যবাদ জানাই, যাঁদের মূল্যবান নির্দেশনা এবং নিরন্তর সমর্থন ছাড়া এই প্রতিবেদন তৈরি সম্ভব হতো না। এছাড়াও কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে সার্বিক কর্মকাণ্ডে আস্থা ও বিশ্বাস ধরে রাখার জন্য সকল স্টেকহোল্ডার ও শুভানুধ্যায়ীদের কৃতজ্ঞতা জানাই এবং ভবিষ্যতেও আমরা তাঁদের সহযোগিতা পাবো বলে আশা রাখি।

কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে,



ওয়ালিউল ইসলাম

চেয়ারম্যান, বোর্ড অব ডিরেক্টরস

এসএমসি এন্টারপ্রাইজ লিমিটেড





# **Product Development & Brand Communication**



## Marketing Highlights

Marketing division of SMC Enterprise Ltd has been managing the most challenging, diversified and innovative portfolio in the industry. It has been carrying out a number of powerful and impact driven marketing campaigns to retain and to achieve leadership positions in respective categories which have been highly accepted by the consumers and won multiple awards. Last year, the company implemented several above the line and below the line activities to reach out to consumers for building the brands. We achieved prestigious awards, such as International SuperBrands Award for Condom Range from SuperBrands Global, and The Best Brand Award for ORSaline-N from Bangladesh Brand Forum. Major PR campaigns and collaboration with public and private organizations like DGHS, Bidyanondo, Mastul Foundation, A2I have increased our corporate brand visibility. During the flood in Sylhet areas, we helped people with essential products like ORSaline-N, Joya Sanitary Napkin, Germ Kill etc. as part of our Corporate Social Responsibility.



### ORSaline-N

ORSaline-N is the flagship brand of SMC. It is a brand that gives life-saving assistance to millions of people every year. It is the most trusted brand in treating diarrhea of children and adults. ORSaline-N is also used extensively for treating dehydration caused by excessive sweating.

To prevent the marketing of fake & look-alike ORSaline-N and generate awareness among retailers and consumers, a new campaign was launched with the most popular film actor Shakib Khan via TVC,

radio, digital, print media, outdoor etc. The campaign has helped to reduce fake ORSaline-N in the market and increase the sales significantly of ORSaline-N.

ORSaline-N sponsored several dramas during the Eid festival in 2021. It ensured brand presence in TV and digital media during the biggest festival of Bangladesh. ORSaline-N also had arranged a webinar session named “SMC ORSaline Day 2021” participated by ORSaline-N's brand ambassador Shakib Khan, General Manager, Marketing from SMC Enterprise Limited, renowned scientist from ICDDR, Health Specialist from UNICEF and a doctor from BSMMU in collaboration with Prothom Alo to celebrate the World ORS Day 2021. ORSaline-N is available in e-commerce platforms like Daraz, Chaldal, Priyo Shop, etc. with different offers and activities.





## SMC Plus Electrolyte Drink

SMC Plus, country's 1st ever Electrolyte Drink was launched in March, 2021 in Orange and Lemon flavors in 250ml. This revolutionary product disrupted the beverage industry and created the image of SMC as an innovative FMCG company to the consumers. Since launch there has been an unprecedented demand of the product from consumers and traders. Consumers appreciated the taste and the unique feature of giving an instant boost in energy by replenishing lost electrolytes.



Tamim Iqbal, the captain of the Bangladesh National Cricket Team in ODI format, is the brand ambassador of SMC Plus Electrolyte Drink.

The highly acclaimed launch campaign of SMC Plus won 'Bronze' award in the Commward 2022 in efficacy category. This innovative campaign focused on the indomitability of Bangladesh connecting it with the electrolyte replenishing and energizing benefits of SMC Plus.

To create brand awareness, SMC Plus TVC, L-Shape, Pop-Up ads were placed during highly viewed ICC T20I World Cup. Innovative Billboard, Bus branding, Airport branding, Magazine Ads and Digital Promotion were done round the year as a part of the 360 campaign.



## Taste Me

Taste Me has become a well-accepted brand in majority Bangladeshi households. It delivers a refreshing taste which instantly lifts the mood. The vitamins and minerals also help to boost the immunity level. Currently Taste Me is one of the leading brands in the Instant soft drink powder category.

Taste Me 1kg jar was launched in April 2021 in two mouth-watering variants. Within a very short period of time, this product has generated a substantial sale and seen tremendous growth.

Digital media has been a very effective tool for Taste Me. Many engagement campaigns were done in Facebook. On the occasion of International Mother Language Day, Taste Me did a digital campaign based on the Bengali language movement in 1948-1952. It got a great reach and positive engagement from the campaign.

During Ramadan, as part of its Corporate Social Responsibility, Taste Me joined with Biddyananda Foundation & Mastul Foundation's "Free Iftar Program" to provide free iftar to more than 200,000 deprived people of the country.





## SMC Fruity

Due to rapid growth of flavored saline's popularity in the sweat market, SMC EL has launched their flavored saline "SMC Fruity" on August-2022. With refreshing Orange fruit flavor, it has created a competitive edge over competitors by having instant healthy solution for dehydration from excessive sweating. 500ml saline can be prepared with each sachet of SMC Fruity. The response from the customers and retailers were very positive and encouraging.

The brand is digitally active in different platforms like Facebook, GDN etc conveying the importance of hydration in daily life and how SMC Fruity helps to hydrate instantly. We have also generated more than 100,000 trial via product sampling in the market.



## BOLT

Since its launch, BOLT has been a very promising brand with continuous growth year on year. Due to its differentiated communication approach, currently it is one of the leading brands in Glucose Powder category.



The previous unique communication was continued last year as well. The idea of the communication was that Bolt fulfills the lack of important electrolyte which helps to overcome ego depletion and keeps on in any situation. To create awareness, TVC, L-shape, Pop ups were placed in all media.

Presence in digital media was very significant last year, a music video named 'Amra Shobai Tiger' was launched during the ICC T20I World Cup which had a staggering 5.9 million views on Facebook. A micro influencer campaign was launched too featuring Sakib Bin Rashid. Banner ads were placed through GDN and the official Facebook page was very interactive with regular contents and special day campaigns.



## Super Kid

SMC EL introduced their first fortified confectionery 'Super Kid' in April-2021. After it's launching, it was loved by the children. Enriched with 24 Vitamins and Minerals, Super Kid helps kids boost immunity, grow stronger and more intelligent. Considering the positive feedback and market demand, Tamim Iqbal Khan, the captain of the Bangladesh national cricket team in ODI format, Ayesha Siddiqa, wife of Tamim Iqbal and Mohammed Arham Iqbal, son of Tamim Iqbal were introduced as the brand ambassadors of Super Kid. The brand is digitally active in different platforms like Facebook, GDN, Instagram, etc. On the occasion of



National Victory Day, an engagement campaign with OVC was launched on the digital platform. We got lots of positive feedback and engagement from the audiences. Super Kid is available in e-commerce platforms like Daraz, Chaldal, Priyo Shop, etc. with different offers and activities.

## SMC Honey

SMC has now ventured into the healthy food category by launching 'SMC Honey' in March 2022 with a view to enriching the lifestyle of its consumers.



SMC Honey is 100% natural and directly collected from the 'Mouwals'. Unlike other honey products, SMC Honey contains no extra sugar and is completely free of chemicals and preservatives. Its antioxidant and antibacterial properties help improve the digestive system and boost immunity.

Danglers and Stickers were placed in key retail outlets to aware the TG as part of the launch plan. Moreover, contents focusing on usage and benefits of SMC Honey were promoted regularly to reach out to the consumers through digital platforms.

## Condom & OCP

Currently, SMC EL has 9 OCP brands and 7 condom brands. Numerous promotional activities have been executed throughout the year. Glimpses of the activities are mentioned below:

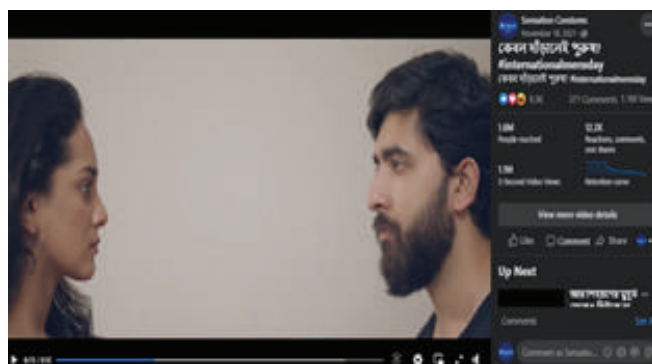
### Condom

SMC condoms currently has 7 brands with 13 SKUs. These brands are catered toward all socio-economic classes.

We have run TVC campaign, GDN campaign, L shape during eid, and Bangladesh cricket match from panther and sensation. We have also focused on trade campaigns and trade gifts to motivate the traders and occupy shelf space. From our premium brands Xtreme and Amore, we have sponsored the New Year party in association with Hotel Le Meridien where a lot of the young people gathered and got aware of our brands. This was also promoted in digital channels.

We have launched an OVC on Men's day on social media platforms which has garnered over 1.1 million views and 12.2k reactions on Facebook. This OVC was also shared by many people organically in various marketing and advertising-related groups on Facebook and generated a lot of discussions.

A number of successful campaigns including Valentine's Day campaign and strong trade programs increased the visibility of the brand. Digital campaigns including facebook generated significant reach and





engagement. To capture the opportunity and boost online sales we have partnered up with the top e-commerce like Daraz, Chaldal, Shajgoj, Priyoshop, etc. and ran various consumer offers to boost sales. The response in this platform is huge as a result, numerous consumer offers were offered on online media to encourage consumers to purchase from online platform. Regular posts were made on Facebook page, Youtube videos were all active including GDN ads on top sites.



## OCP

Social Marketing Company (SMC) continues its successful journey while maintaining its important role as one of the significant contributors to the Bangladesh national health and family planning program. Currently SMC EL has 9 OCP brands and a good number of promotional activities were executed throughout the year. The most popular low-dose oral contraceptive pill (OCP) 'Femicon' topped the list in the OCP category with its highest number of users and it is the second-highest used brand across the country. Femicon has won the heart of millions of women for its usage, comfort and effectiveness.



Based on the market demand and keeping consumer's health in mind for contraceptive efficacy, SMC EL has launched fourth generation regular birth control pills – Smartpill and Smartpill Lite. To promote these two new female oral contraceptive brands, we ran a launching campaign (GDN, OVC), we have given trade gifts, doctor visit with gifts and product literature.

We have Developed and Initiated Media campaign for SMC Pills and maintaining digital post onward. A number of creative and successful digital campaigns like 'Norix 1 Valentine's day Contest' were run from SMC pills (Norix-1, Femicon etc) Facebook page.





- We have also produced and run informative short video on Norix 1 with Doctor TV.

To Focus on marketing campaign to achieve total pill sales and growth we have executed Trade gifts, Price discount, E-commerce etc properly and timely.

## Joya Sanitary Napkin

Joya, one of the best sanitary napkin brands in Bangladesh, has grown strongly over the years. Powerful aspirational and strategic campaigns played a pivotal role for the success of Joya. Joya continued to promote the benefits of sanitary napkin usage and risks of using clothes to convert cloth users to sanitary napkin users.

As part of this objective, to increase sanitary napkin users in Bangladesh, Joya introduced its first value pack in August 2021. In Bangladesh, only 25% of menstruating women use sanitary napkin. Rest of the 75% menstruating women mainly use unhygienic old clothes that result in severe health issues (UTI, RTI etc.). The non-users and frequent users know about the importance of using sanitary napkin but do not purchase it regularly because of their perceived value and image of a luxury product. A lot of times, they are shy to discuss period related issues with family members and avoid purchasing sanitary napkins. For this reason, many users prefer purchasing larger packs to get price benefits and to avoid frequent shopping. Joya Belt 15's pack was launched to give the consumers price benefit and avoid frequent shopping. They use it for two menstrual cycles.



On this International Women's Day on 8th March 2022, Joya launched a powerful OVC campaign "My First Period" to break the social taboo related to menstruation. The message of this campaign is to encourage everyone not to be shy about period – it's a regular phenomenon in a girls' life; not a taboo topic. Family is the primary place for a teenage girl to learn about period and she should be comfortable enough to discuss period related issues with her family. Family members including father should be supportive during this time of her life. Every year



because of low awareness and knowledge about proper menstrual hygiene management, a lot of women face severe health issues like UTI, RTI etc. In our country. Many women are shy to talk about these issues with family and even doctors. Joya inspires women to be bold and move forward in life. The message of the campaign has been well accepted. People are talking about the message. Till now this ad has been viewed more than 10 million times.

“My First Period” campaign was relaunched on 28th May to celebrate World Menstrual Hygiene Day to break taboos surrounding menstruation and raise awareness on the importance of good menstrual hygiene management worldwide. To align with this year’s theme, Joya sanitary napkin’s “My First Period campaign” was relaunched on digital platforms to encourage girls to move ahead in life breaking all taboos related to period. Press Ad and feature write-ups were published on Prothom Alo to create awareness on Joya’s efforts on this issue. A Quiz Contest and A Webinar was arranged on Joya’s Facebook Page with Brand Ambassador Nusraat Faria.



To increase sales of Joya sanitary napkin and generate trials, a number of consumer promotions were offered throughout the year. All of these promotions have created a huge impact among the consumers and boosted our sales. During the winter season, we introduced an offer with Joya Wings pack. Consumers got a SMC Pure Petroleum Jelly free with every purchase. The Buy 1 and Get 1 Joya Extra Heavy Flow offer has created huge demand for this variant during this offer period. On e-commerce platforms, numerous offers continued and created a hype.

As an ongoing campaign, Joya continued its RMG activation in 15 more garment factories this year and has reached around 10,000 female workers directly. Through Buy 1 and Get 1 offer for two days, a total of 5,000 free Joya samples were distributed among the female workers along with awareness campaign.





## SMC Pure Petroleum Jelly

SMC's first skincare product SMC Pure Petroleum Jelly was launched in FY 21-22 in 4 SKUs with a vision to dominate the skincare market. Two different variants in 2 different jar sizes are available in the market. SMC Pure Petroleum Jelly has 2 in 1 benefit in one product ensuring twice the protection and care. SMC Pure Petroleum Jelly is enriched with both Vitamin E and Lemon Extract (food grade). It adds glow and makes skin smooth and healthy. It also gives a refreshing and energizing feel all day long.

In FY 22-23, SMC Pure Petroleum Jelly has become known to consumers for its unique benefits. Throughout the year digital promotions were created to increase the awareness focusing on the attributes of the product.



## Smile Baby Diaper

Since the launching of Smile baby diaper, it has become a very promising product in terms of growth. This product has enormous potential to become one of the leading brands in SMC. This year a new campaign has been launched to promote the comfort of the product. The value proposition of this campaign was "Or Hashi Sobcheye Dami". The campaign has been massively promoted in Electronic media as well as in digital media.



Facebook has been a very effective media for Smile. More than 10 million reach has been generated through Facebook. Different types of posts like engagement, likability, feature base, e-commerce etc. contents have been promoted to increase the reach.

## Germ Kill Anti Germ Handwash

Germ Kill was launched in 2020, at a time when the country was struck with Covid-19 pandemic. The brand came to the market with a promise to solve consumer's need for complete germ-free hands. Germ Kill Handwash have kept gaining trust of our consumers and have been achieving significant growth.

New campaign of Germ Kill handwash was launched in 2021 featuring the brand ambassador Nusrat Faria. The TVC was aired in major TV channels. Apart from that RDC and digital campaign was launched as well. The TVC reached 1.6 million people alone from the FB page of Germ Kill.





The brand was also active in social welfare activities. SMC distributed free products of Germ Kill Handwash to the member of the Police force and Journalists who worked as the frontline workers during Covid-19 pandemic. The company also arranged free products of Germ Kill for people coming for medical advice at free medical camp in Mymensingh and also distributed nearly 2 lac pieces of Germ Kill Handwash sachet for free to students at different schools.

Germ Kill arranged a special digital campaign in association with Prothom Alo online. The daylong campaign reached more than 6 million people.







# **Research Insights**

**SMC EL**



Every year, SMC EL undertakes a number of research initiatives to assess impact of Sales and Marketing initiatives, conduct product feasibility and generate consumer insights. It utilizes primary research data to understand the current market and design future marketing plan, tailored to market realities as well as other external factors and internal capabilities.

Following are some of the major research projects activities undertaken by SMC Enterprise during FY 2021-2022 and their key findings:

## **01. Study title: U&A study for understanding the oral saline market**

### **Objectives of the study:**

1. To understand the market in depth in terms of usage and attitude (multiple usage, climate change impact etc.)
2. To develop the strategy for maintaining the growth of ORSaline-N and preventing any risk in future in shape of less consumption, losing market share to other competitor etc.

### **Key findings:**

- 97% respondents consume ORS for both Diarrheal and Non-diarrheal reason.
  - 44% respondents consume ORS for only Diarrheal reason.
  - 56% respondents consume ORS for only Non-Diarrheal reason.
- Diarrheal episodes decreased during pandemic.
- Most of the respondents (79%) claimed that consumption of ORS remained unchanged, only 11% mentioned decrease in consumption during pandemic and another 10% mentioned increase in consumption.
  - Bulk purchase has decreased in last 3 years.
  - Post Covid-19 pandemic only 16% of consumers purchase 1 Box of ORSaline-N at a time, whereas 22% consumers used to buy 1 Box at one go previously.
- Doctor's recommendation of Neosaline, Saline-R & ORS Popular is higher.
- Retailers influence to purchase Neosaline, Saline-R & ORS Popular for higher profit margin and lucrative offers.
- 71% respondents are worried about counterfeit ORSaline-N being sold in the market.
  - A hologram can be imprinted on the Orsaline-N packs to provide quality assurance.
- SMC Fruity is the 2<sup>nd</sup> most popular in Tasty Saline category.

## **02. Study title: Study on menstrual hygiene practice among the RMG workers**

### **Objectives of the study:**

1. To know about the awareness among the female RMG workers about the health hazards for not using Sanitary Napkins and the usage behavior to manage their menstruation.
2. To evaluate the effectiveness of the activation program of SMC EL on the value & importance of using Sanitary Napkins.
3. To know the impacts of the awareness building of the program of the SMC EL.



### Key findings:

- 86.4% of the female workers has the idea that menstruation is a normal physical process of womanhood.
- The study examined that only 1.1% of the workers' considered menstruation as a curse for the woman.
- It is impressive that 92.9% of the workers are using sanitary napkin as it makes no stain on the clothes and 85.7% of them agreed that sanitary napkin is easy to discard after change.
- 94.4% of the workers has recalled Joya as the first sanitary napkin name that comes to their mind.
- The present study has found that a worker has to spend 86.83 taka on average to buy sanitary napkin for a month. As per their response if the cost be settled at a reasonable price as 42.89 taka on average for a month, it would be more affordable.
- 99.3% of the workers accredited that this kind of events motivate the workers to use sanitary napkins as well as amplified their knowledge and perception towards using hygienic sanitary products.
- Previous study reveals that only one-third of the RMG workers use sanitary napkins. The present study concludes the interpreting the previous study findings to a remarkable state.
- Workers as well as owners and factory management also express their genial courtesy to contrivance such programs at an extensive level.

### 03. Study title: Post-campaign evaluation study for ORSaline-N

**Objective of the study:** To assess the effectiveness of new ORSaline-N TVC and Brand Association of Shakib Khan.

### Key findings:

- Only around 32% of the respondent could recall the ORSaline-N TVC and they said it was not aired frequently like before, whereas around 72% respondents could recall the TVC in last year.
- Almost 81% people knows that Shakib Khan is the brand ambassador and thinks he is reliable.

- |               | Top Box% | Top 2 Box% |
|---------------|----------|------------|
| Reliability   | 58%      | 98%        |
| Believability | 57%      | 100%       |

- Message received from TVC.
  - Need to consume saline to eliminate dehydration.
  - Consuming saline will keep body refresh.
  - Be aware from the duplicate ones.





# **Sales Distribution Network**



During the period under review, the expansion of sales distribution network occurred through coverage of a vast number of pharmacies and non-pharmacy outlets in both urban and rural markets. Distribution of existing and new products in FY 2021-2022 was carried out by SMC's direct sales force (177 sales officer) from 12 Area Offices has reached 185,907 outlets out of which 85% (1,57,832) were Pharma Outlets and 15% (28,075) were Non-Pharma Outlets. Moreover, products were sold to 646 institutions that included NGOs, INGOs, corporate houses, hospitals, clinics etc.

On the other hand, distribution sales through 335 authorized distributors had been able to reach 529,862 Non-Pharma outlets throughout the country and generated around Tk. 452 (four hundred and fifty-two) crore in sales revenue which was Tk. 336 (three hundred and thirty-six) crore in FY 2020-2021. The revenue growth rate of Distribution Sales is 35%.

The Distribution business was explored through condom, Joya, Smile, Taste Me, BOLT, SMC Plus, Petroleum Jelly and ORSaline-N sales in FY 2021-2022.

Item	FY 2021-22	FY 2020-21	Growth
Direct Sales (Tk. In crore)	669	639	5%
Distribution Sales (Tk. In crore)	452	336	35%
No. of Sales officer (Direct Sales)	177	167	6%
No. of Distributors	335	292	15%
Territory Sales Officer (Distribution Sales)	47	41	15%

For Institutional sales 2 Institutional Sales Executive were recruited to reach the potential institutions, corporate houses, hospitals, clinics, garments, different industries and other NGOs & INGOs to build professional relationship for product selling as well as to develop company's goodwill. In the first year, they took purchase order amounting of Tk. 67.88 million & build strong and long term relationship with many renowned national and multinational organization.

A breakdown of outlet coverage and effective calls during the reporting period by the sales force of SMC EL's is shown in the table below:

#### Outlets Coverage and Effective Calls in FY 2021-2022

Criteria	Number by type of outlets FY 2021-22				In FY 2020-2021	Growth
	Pharma	Non-Pharma	Institutions	Total	Total	
Outlet Coverage	157,832	557,937	646	716,415	657,694	9%
Effective Call/ Memo generated	1,677,448	5,239,853	4,093	6,921,394	5,188,118	33%

### Field Promotion Activities – Direct Sales

The Sales Promotion Officers implemented a respectable number of promotional activities under respective area offices with the objective of creating demand and introducing new products through service providers. Such activities include small interactive events like group detailing sessions with Rural Medical Practitioners



(RMP), Palli Chikitschoks (PC) and other community level health providers on health-related issues such as contraceptives, diarrheal management, hygiene, child nutrition, special product for pregnant woman (FullCare) and reproductive health. Field offices additionally conducted a number of promotional meetings with graduate doctors which went a long way in increasing prescription rates and thereby further enhancing the goodwill of SMC EL.

During the reporting period, SMC reached over 98,736 health providers including doctors, NGO workers, non-graduate health service providers, traditional birth attendants and girl's student through various promotional sessions. Due to the severe pandemic situation in first half of the performance year, Field Promotion activities could not be carried out as per projection.

#### Field Promotion Activities during FY 2021-22

Activity Type	No of Participants			
	Target	Actual		
		Male	Female	Total
Group Detailing Session (GDS) for Private Health Providers*	7,600	7,096	55	7,151
Seminar with Graduate Doctors	1,050	546	424	970
NGO Workers Meeting	3,360	583	1,958	2,541
Traditional Birth Attendant (TBA) Meeting	1,300	57	1,227	1,284
Girls' School/College & Madrasa Training Program	92,950		86,790	86,790**
Special Program (RMG, Police etc.)		58	2,183	2,241
<b>Total Participants</b>	<b>106,260</b>	<b>8,340</b>	<b>92,637</b>	<b>100,977</b>

\* It includes non-graduate health providers, Pharmacists etc.

\*\* It includes male & female teachers and school committee members those who participated in the girls' school training program





# **Pharma Marketing Highlights**



The SMC EL Pharma Division has operated for more than five years with remarkable results, building a strong brand presence in the market. SMC EL's pharma company is moving forward to reach an impending new milestone with the main purpose that "No one should suffer, especially the less-privileged due to lack of affordable quality medicine."

Pharmaceutical products (tablets, capsules, powder for suspension, and syrups) are manufactured at Jenphar Pharmaceuticals, which is currently owned by Radiant Pharmaceuticals Ltd. under a toll manufacturing arrangement.

The Pharma team marketed 36 different kinds of OTC and therapeutic products in the market, including antibiotics, NSAIDs, antihistamines, and anti-asthmatics, mineral supplements. Aziday 500 mg tablet, Cefimax 200 mg capsule, Esomium 20 mg capsule, Ezevent 10 mg tablet, Prazomax 20 mg capsule, Neoclav 250 mg tablet, Secoxim 250 mg tablet, Nurowel tablet, and Seacoral D tablet are some of the top brands that generate revenue. SMC Pharma division accords the highest priority to its human resources and towards sustainable staff welfare and also think that employees are the best resource for company expansion. Therefore, internal capacity building and advancement of existing employees are rather than external hiring.

### New Products Launched in FY 2021-22

The Pharma team put a lot of effort into the launching of Zifday (Carbonyl Iron, Folic Acid & Zinc) capsule and Secoxim (Cefuroxime axetil) tablet in the FY 2021–22. Zifday capsule and Secoxim 250 mg, 500 mg tablets were thereafter introduced in July'21 and December'21 respectively. Zifday is indicated for use in cases of chronic and acute blood loss, pregnancy, lactation, nutritional insufficiency, and iron deficiency anemia.





Secoxim is indicated for the treatment of Urinary Tract Infection (UTI), pharyngitis, otitis media, sinusitis & bronchitis etc. It is also indicated in the treatment of Skin and Soft Tissue Infection (SSTI). It gives me great pleasure to let you know that Zifday is produced in our Bhaluka Factory. The pharmaceutical team is also working to introduce antiviral and anticancer drugs.

Numerous promotional initiatives were undertaken in order to meet the sales target, including the "Aziday-Pneumonia Awareness campaign, Zifday-Shining star, Zifday-Dui Dogone Char, Seacoral D-Valentine Day celebration, Seacoral D-Osteoporosis Day, Zifday-Man of the Week campaign, Neoclav-Winter protection campaign, Seacoral Dx-Mother's Day celebration." Additionally, the Pharma team delivered gifts to 1804 parties and successfully concluded the Shwapno Puron campaign.

## Online Campaign

Besides regular promotion, online campaign was undertaken. As a result, SMC's Pharma Division organized several online campaigns on topics including Dengue Samachar, Nurowel-Father's Day, Esomium (World Hepatitis Day), Ezevent-Asthma Day, Neoclav-Independence Day, Ezevent-Victory Day Aziday-Daily Corona Update, etc.

In FY 2021-22 Pharma team has given its sales team members 37 motorcycles to maximum doctor and chemist coverage.

### Pharma Strategic Plan: FY 2020-21 Vs. 2021-22

Performance Drivers	FY 2020-21	FY 2021-22	Target of FY 2022-23
Productivity (in BDT) per Territory (MIO)	2,41,000	2,47,000	2,50,000
Doctor Coverage (Qualified)	3,450	4150	4,500
Doctor cum Chemist including BSPs	3,000	3600	4,500
Chemist Coverage (Monthly Average)	11,472	11,100	20,000
Prescription (Monthly Average)	12,000	16000	25,000
Return upon Delivery	2.84%	2.72%	2.50 %
Distribution Cost	7.4%	7.2%	8%





# **Manufacturing Operations**



## Bhaluka Factory, Mymensingh

During FY 2021-22, the ORS factory produced 101.46 crore sachets against the target of 100 crore, which was 1.46% higher than the target, utilizing 100% of the production capacity. In FY 2022-23 the production target is 120 crore, which is 20% higher than that of previous year.

In FY 2021-22, 46.24 million Capsule of different variants was produced against the target of 45.25 million and 27.45 million MoniMix (Micronutrient powder) was produced against the target of 26.50 million. The percentage of achievement of Capsule is 102.19 and that of MoniMix is 103.58.

In the Food Manufacturing Division (FMD) the production of instant powder drink such as Taste Me (in mango and orange flavor) in two variants along with Bolt (power drink) have surpassed its targeted production as tabulated hereunder:

Product	Total Target (in million sachets)	Total Achievement (in million sachets)	% of Achievement
TasteMe 25g	78.82	86.28	86.28
TasteMe 200g	5.08	5.27	5.27
Bolt 25g	9.38	9.56	9.56
Bolt 200g	0.54	0.56	0.56
Bolt 400g	0.26	0.26	0.26

The factory employed around 1,287 staff with a combination of permanent, casual, contractual and out sourced employees.

### Manufacturing Capacity and Infrastructural Development

- Receiving of three (3) high speed OMAG Filling Sealing Machines as replacement of three (3) old Volpak Filling Sealing Machines.
- Started operation from state of the art newly developed Microbiology Laboratory.
- Purchase Order for establishing modern Washing Plant already been completed.
- Addition of Photo Stability Chamber in the Product Development (PD) for performing stability study of light sensitive products.
- Incorporation of Cold Room for storage of light sensitive ingredients which is the breakthrough in the history of SMC EL.
- Procurement of two Dispensing Booth is ongoing.
- For enhancing storage capacity of RM the modification job of CWH with HVAC facilities is ongoing.





- Received 800 KVA diesel generator for enhancing power capacity to cater the additional demand for extension area.
- Installed diesel fire pump and capacity enhancement of underground reservoir tank.
- Installed one Standby Air Compressor having capacity 181 liters/sec.
- Incorporation of Lightening Protection System (LPS) to protect Men, Machines and Equipment from thunder, serge and storm.
- Around 95% expansion works of phase-2 of Food Manufacturing Division (FMD) completed.

## Outsourcing

### Contract Manufacturing: ORS and SMC Zinc Dispersible Tablet

SMC EL continued to contract manufacture its key products such as ORS, Pill, along with its own manufacturing to cater to continuously increasing sales demand. In FY 2021-22, SMC EL purchased around 32.52 crore sachets of ORSaline-N from Renata Limited, Popular Pharmaceuticals Ltd, Essential Drugs Company Ltd and The ACME Laboratories. In the last fiscal year 1.05 million Zinc Dispersible Tablet was also purchased from The ACME Laboratories Ltd.

### Pharma Products through Toll Manufacturing:

SMC EL has been producing 34 pharma products in different dosage from Jenphar Bangladesh. SMC EL is on the process of producing more products from Naafco Pharma and Popular Pharmaceuticals for strengthening product portfolio. Details are tabled below:

### Pharma Products Launched in FY 2021-22:

SI No.	Brand Name	Generic Name & Strength	Launching Date
1.	Secoxim 250 Tablet	Each tablet contains Cefuroxime Axetil USP equivalent to Cefuroxime 250 mg	Dec '21
2.	Secoxim 500 Tablet	Each tablet contains Cefuroxime Axetil USP equivalent to Cefuroxime 500 mg	Dec '21

### Name of Products under Development (FY 2021-22)

#### 1. Annexure approved by DGDA

SI No.	Brand Name/ Generic Name	Generic Name & Strength	Status
1.	SMC Gold Tablet	Multivitamin & Multimineral	Annexure Approved by DGDA



## 2. Recipe and dossier submitted to DGDA for approval (FY' 2021-2022)

SI No.	Brand Name/ Generic Name	Generic Name & Strength	Fiscal Year	Total Recipe with Dossier Sent to DGDA	Total Recipe Approved by DGDA	Status of Annexure
01	Rifampicin + Isoniazid + Pyrazinamide + Ethambutol HCl Tablet	Rifampicin BP 150 mg+ Isoniazid BP 75 mg+ Pyrazin- amide BP 400 mg+ Ethambu- tol HCl BP 275 mg	2021- 2022	17	17	Awaiting for approval from DGDA
02	Rifampicin + Isoniazid Tablet	Rifampicin BP 300 mg+ Isoniazid BP 150 mg				
03	Isoniazid + Rifampicin Tablet	Isoniazid BP 300 mg + Rifam- picin BP 450 mg				
04	Molnupiravir 200 capsule	Molnupiravir INN 200 mg				
05	MoniMix Plus 1 gm Sachet	Vitamin A 0.40 mg (As vitamin A acetate BP), Vitamin C 30 mg (As Ascorbic Acid USP), Vitamin D3 0.005mg (As Cholecalciferol USP), Vitamin E 5.00 mg (As Alpha tocoph- eryl Acetate BP), Vitamin B1 0.50 mg (As Thiamine Mono- nitrate BP), Vitamin B2 0.50 mg (As Riboflavin Sodium Phosphate BP), Niacin USP 6.00 mg, Vitamin B6 0.50 mg (As Pyridoxine Hydrochloride BP), Vitamin B12 0.0009mg (As Cyanocobalamin BP), Folic Acid USP 0.150 mg, Iron 10.00 mg (As Ferrous Fuma- rate BP), Zinc 4.10 mg (As Zinc Gluconate USP), Copper 0.56 mg (As Copper Gluco- nate), Selenium 0.017 mg (As Sodium Selenate Ph. Grade) and Iodine 0.09 mg (As Potassium Iodide USP).				
06	Actifast 30 IV/IM Injection	Ketorolac Tromethamine USP, 30 mg/ml				
07	Actifast 60 IV/IM Injection	Ketorolac Tromethamine USP, 60 mg/2 ml				
08	Ceftriaxone 500 mg IV Injection	Ceftriaxone Sodium (Sterile) USP, 500 mg/Vial				



SI No.	Brand Name/ Generic Name	Generic Name & Strength	Fiscal Year	Total Recipe with Dossier Sent to DGDA	Total Recipe Approved by DGDA	Status of Annexure
09	Ceftriaxone 500 mg IM Injection	Ceftriaxone Sodium (Sterile) USP, 500 mg/Vial	2021-2022	17	17	Awaiting for approval from DGDA
10	Ceftriaxone 1 g IV Injection	Ceftriaxone Sodium (Sterile) USP, 1 g/Vial				
11	Ceftriaxone 1 g IM Injection	Ceftriaxone Sodium (Sterile) USP, 1 g/Vial				
12	Ceftriaxone 2 g IV Injection	Ceftriaxone Sodium (Sterile) USP, 2 g/Vial				
13	Esomium 40 IV Injection	Esomeprazole Sodium USP (Lyophilized Powder), 40 mg/Vial				
14	Prazomax 40 IV Injection	Omeprazole Sodium BP (Lyophilized Powder), 40 mg/Vial				
15	Lidocaine HCl 1% Injection	Lidocaine HCl BP				
16	Water For Injection	Water For Injection BP				
17	5% Composite Amino Acid with Electrolytes & D-Sorbitol Infusion	L-Isoleucine USP 0.352 gm, L-Leucine USP 0.490 gm, L-Lysine Hydrochloride USP 0.430 gm, L-Methionine USP 0.225 gm, L-Phenylalanine USP 0.533 gm, L-Threonine USP 0.250 gm, L-Tryptophan USP 0.090 gm, L-Valine USP 0.360 gm, L-Histidine USP 0.250 gm, L-Tyrosine USP 0.025 gm, L-Arginine USP 0.500 gm, L-Aspartic Acid USP 0.250 gm, L-Glutamic Acid BP 0.075 gm, L-Alanine USP 0.200 gm, L-Cystine BP 0.010 gm, Glycine (Aminoacetic Acid) USP 0.760 gm, L-Proline USP 0.100 gm, L-Serine USP 0.100 gm				



## Health & Hygiene Factory, Cumilla

The Health & Hygiene Factory is the state-of-the-art ISO 9001:2015 certified and BSTI licensed production factory located at Bauband, Cumilla. SMC EL is operating this factory by using highly sophisticated machines with PLC based full servo control facility to ensure quality of the product. Currently the factory is producing –

- Joya Sanitary Napkin Belt type
- Joya Sanitary Napkin Wings Type
- Smile Baby Diaper Belt Type
- Smile Baby Diaper Pant Type
- Smile Baby Wipes
- Smile Wet Wipes



The production is running 24 hours in three shifts to fulfil market demand. Considering the production growth of Sanitary Napkin, two new machines named Joya Sanitary Napkin Belt-3 and Belt-4 were installed and commercial production started on 08 Jan 2022 and 31st May 2022 respectively. Also, one Pant Type Baby Diaper machine has been installed on July 2021 and Commercial production started from 17 August, 2021.

### Production Target Vs. Achievement FY 2021-22

SI No.	Product Type	Target (million Pkt)	Achievement (million Pkt)	Achievement (%)
1.	Joya Sanitary Napkin (Belt type)	26.36	29.13	110.51%
2.	Joya Sanitary Napkin (Wings type)	6.25	6.77	108.32%
3.	Smile Baby Diaper (Belt Type)	0.99	1.13	114.14%
4.	Smile Baby Diaper (Pant Type)	3.67	3.94	107.36%

## Manufacturing Capacity and Infrastructural Development

Increasing the market demand to meet the business goal, company has invested significant amount to develop the manufacturing capacity and infrastructures. The major developments works are given below:

- One new Wings Type Sanitary Napkin machine is budgeted considering the increasing growth of the product and it will be installed in expansion project (unit-2) 1<sup>st</sup> floor production building.
- In line with factory growth, capacity expansion of fire fighting system is on process which introduces a set diesel and electric pump of 750 GPM and another water reserve tank of 135,000 liter that make the total capacity to 265,000 liters to ensure the fire safety of the factory.
- One laundry facility will be set up at roof top of south building for washing dresses of all employees to ensure smooth hygiene practice.
- To reduce the process wastage and machine safety one online UPS will be installed and sub-station capacity will be increased with provision of additional stand by Diesel Generator.





# **Human Resource Management**

**SMC EL**



SMC Enterprise Limited has a strong corporate culture that ensures good governance as well as the achievement of its business goal. To establish a work environment which is peaceful, healthy and employee friendly, the Human Resource Division of SMC EL has a set of policies and procedures which ensures proper talent management, compensation & benefits, learning & development, performance & reward management, etc. It aims to ensure efficient human resources for all departments so that people of all levels can contribute for the growth of the Company.

During the reporting period SMC EL had 1,587 employees comprising of 967 management staff and 620 graded staff.

## Manpower Details

### FY 2021 – 22

Location	Male	Female	Sub Total
Head Office	108	25	133
Bhaluka Factory	474	61	535
Cumilla Factory	110	10	120
Sales (RO & AO)	398	04	402
Pharma (Field Force)	334	01	335
SMC Tower 2	4	0	4
SMC Emp (Prog, Eng)	58	0	58
<b>Total</b>	<b>1,486</b>	<b>101</b>	<b>1,587</b>

Employee Type	Grade	Gender	Number	Sub Total
Permanent	Management	Male	885	920
		Female	35	
	Graded	Male	426	489
		Female	63	
Contractual	Management	Male	47	47
		Female	00	
	Graded	Male	128	131
		Female	03	
Total				1,587

Employee Type	Grade	Gender	Number	Sub Total
Casual	Graded	Male	130	131
		Female	01	
Daily Basis (Own Sourced)	Graded	Male	39	136
		Female	97	
Daily Basis (Out Sourced)	Graded	Male	1,254	1,360
		Female	106	
Total				1,627



New Hires			
Area	Management	Graded	Total
Sales	47	2	49
Factory	20	53	73
Pharma Sales	97	-	97
Head Office	19	3	22
<b>Total</b>	<b>183</b>	<b>58</b>	<b>241</b>

Promotion		Up-gradation	
Management	52	Management	19
Graded	09	Graded	42
<b>Total</b>	<b>61</b>	<b>Total</b>	<b>61</b>

## Capacity Building

SMC EL always focuses on enhancing organizational capacity. As a part of the capacity building activity the Human Resource Division provided various trainings which helped employees to increase their productivity, efficiency and job satisfaction. The details are as follows:

Training Name	Participants
Selling Skills & Sales Management	180
Art of Efficient Pharmaceutical Sales	90
Stress & Anger Management at Workplace	75
Project Management	60
5S & Kaizen	804
Business English Course	10
ISO 45001:2018	10
Negotiation Excellence	9
Total Productive Maintenance	7
Income Tax, VAT & Customs	5
Leadership for Administrative Professionals	5
Labor Law	5
Others	47
<b>Total</b>	<b>1,307</b>

### Major Employee Engagement Initiative:

1. Award of Excellence
2. Women's Day Celebration
3. Employee Orientation Program
4. Employees Birthday Celebration
5. Welcoming New born of Employees
6. Special Meal (Instead of Annual Picnic)



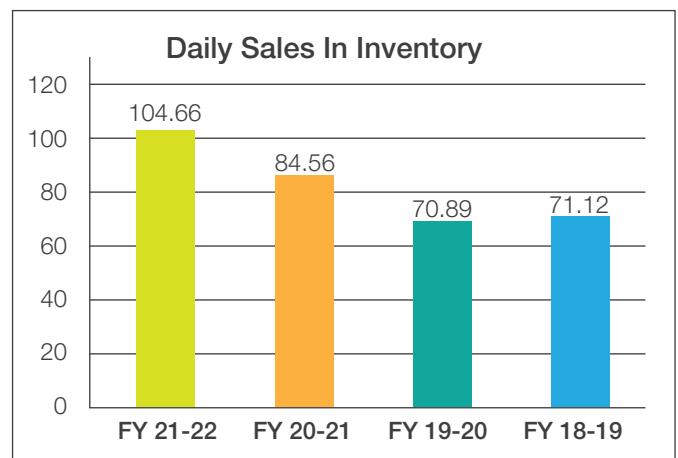
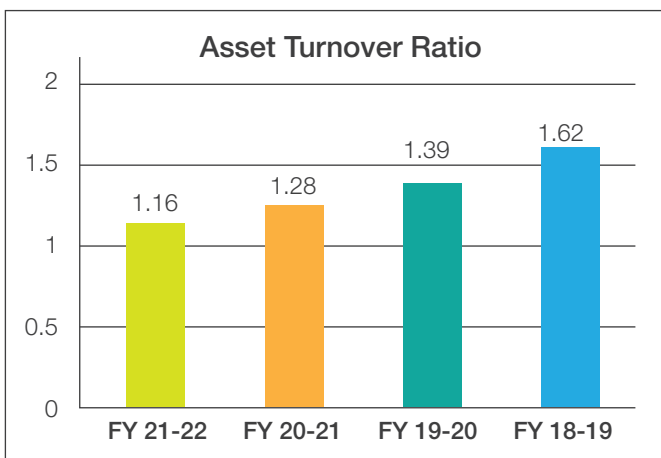
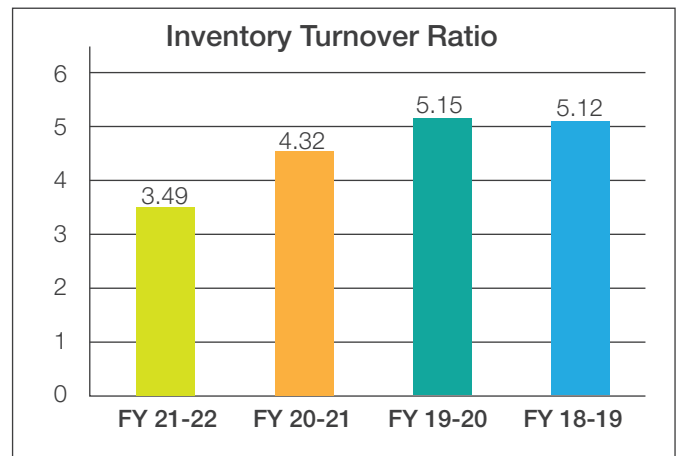
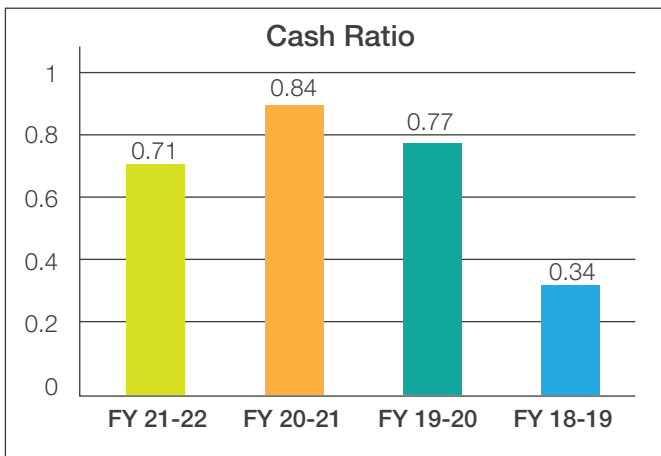
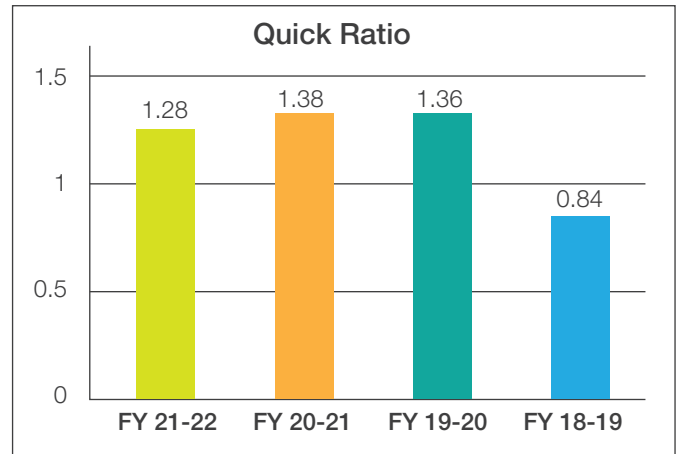
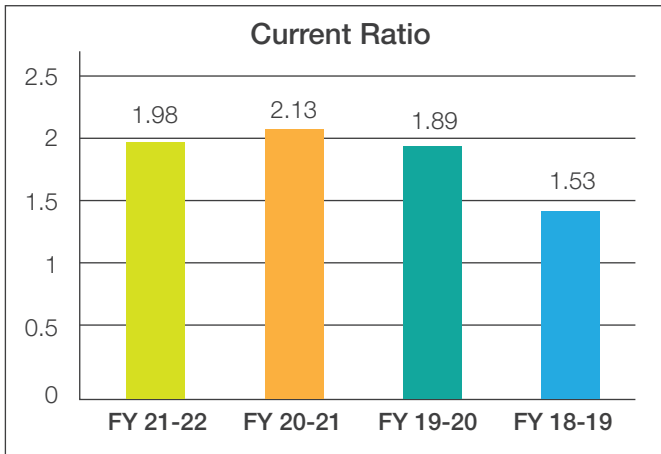


# **Financial Performance**

**SMC EL**



## Trend Analysis (4-year)





## SMC Enterprise Ltd

### Standalone Statement of Profit or Loss and Other Comprehensive Income

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
<b>Gross Revenue</b>	<b>12,115,101,463</b>	<b>10,502,041,117</b>	<b>8,926,372,407</b>	<b>6,975,742,119</b>	<b>5,619,440,868</b>
VAT	1,276,164,649	1,196,675,400	878,568,368	504,093,227	380,964,023
Sales Return	1,965,032	3,770,125	-	-	-
Discount on Sales	97,448,911	73,122,277	75,470,215	980,579	2,901,232
<b>Net Revenue</b>	<b>10,739,522,871</b>	<b>9,228,473,314</b>	<b>7,972,333,824</b>	<b>6,470,668,313</b>	<b>5,235,575,613</b>
Cost of goods sold	6,704,694,916	5,685,488,727	4,853,376,213	4,012,663,957	3,230,883,471
<b>Gross profit</b>	<b>4,034,827,955</b>	<b>3,542,984,587</b>	<b>3,118,957,612</b>	<b>2,458,004,356</b>	<b>2,004,692,142</b>
Administrative expenses	1,166,948,515	967,513,764	838,533,197	680,436,197	553,803,265
Selling & marketing expenses	1,170,369,715	1,017,010,264	968,036,568	887,618,874	640,049,923
<b>Total Operating Expenses</b>	<b>2,337,318,230</b>	<b>1,984,524,028</b>	<b>1,806,569,765</b>	<b>1,568,055,072</b>	<b>1,193,853,188</b>
Finance expenses	28,340,588	3,550,939	5,425,535	11,768,388	9,065,754
<b>Net Operating Profit</b>	<b>1,669,169,138</b>	<b>1,554,909,620</b>	<b>1,306,962,312</b>	<b>878,180,896</b>	<b>801,773,201</b>
Other Income	61,544,303	57,447,490	26,448,638	15,868,545	17,822,183
<b>Profit before WPPF &amp; Tax</b>	<b>1,730,713,441</b>	<b>1,612,357,110</b>	<b>1,333,410,949</b>	<b>894,049,441</b>	<b>819,595,384</b>
Provision for WPPF	86,535,672	80,617,856	66,670,547	44,702,472	40,979,769
Income Tax	467,999,110	464,315,734	414,199,308	280,812,565	265,800,612
<b>Net profit after Tax</b>	<b>1,176,178,659</b>	<b>1,067,423,521</b>	<b>852,541,094</b>	<b>568,534,404</b>	<b>512,815,003</b>

\*Other income includes interest income, Insurance claim and sale of scrap.

Particulars	As on 30.06.2022	As on 30.06.2021	As on 30.06.2020	As on 30.06.2019	As on 30.06.2018
<b>Share Capital</b>	<b>390,000,000</b>	<b>390,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>
Retained Earnings	4,964,241,642	3,924,562,983	2,907,139,462	2,089,598,368	1,551,063,964
Vendor's account -SMC (potential shares)	-	-	290,000,000	290,000,000	290,000,000
Non-current liabilities	748,323,480	688,353,295	571,123,871	179,060,655	421,214,165
Current liabilities	3,147,352,180	2,189,714,572	1,870,474,588	1,287,608,567	1,158,201,477
<b>Total Equity and Liabilities</b>	<b>9,249,917,302</b>	<b>7,192,630,850</b>	<b>5,738,737,921</b>	<b>3,946,267,590</b>	<b>3,520,479,605</b>
Non-current assets	3,027,720,757	2,527,907,991	2,209,086,729	1,971,004,863	1,774,940,949
Current assets	6,222,196,545	4,664,722,859	3,529,651,191	1,975,262,727	1,745,538,657
<b>Total Assets</b>	<b>9,249,917,302</b>	<b>7,192,630,850</b>	<b>5,738,737,921</b>	<b>3,946,267,590</b>	<b>3,520,479,605</b>





# **Auditor's Report and Financial Statement**

**SMC EL**



**Independent Auditor's Report  
To the Shareholders  
Of  
SMC Enterprise Limited**

ম্যাবস এন্ড জে পার্টনার্স  
**MABS & J Partners**  
Chartered Accountants

**Opinion**

We have audited the accompanying financial statements of SMC Enterprise Limited, which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, or give a true and fair view of the financial position of SMC Enterprise Limited, as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), comply with the Companies Act 1994, and other applicable Laws and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements 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's 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 audit findings, including any deficiencies in internal control that we identify during our audit.





## **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, 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 purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The 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 account.

**Dhaka, Bangladesh**  
**Dated: 15 December 2022**

**Signed for & on behalf of**  
**MABS & J Partners**  
Chartered Accountants

**Ummay Sumaya Jahan FCA, ACMA**  
**(UK), CGMA, Partner**  
**ICAB Enrollment No: 1818**  
**DVC: 2212151818AS296897**







**SMC Enterprise Limited**  
**Statement of Financial Position**  
**As at 30 June 2022**

Particulars	Notes	Amount in BDT.	
		30-June-2022	30-June-2021
<b>Assets</b>			
<b>Non-current assets</b>		<b>3,027,720,757</b>	<b>2,527,907,991</b>
Property, plant and equipment	4	2,263,052,689	2,034,848,838
Intangible assets	4.1	7,347,841	7,981,162
Right of use (ROU) assets	4.2	461,367,294	323,070,463
Capital work-in-progress	5	295,952,934	162,007,528
<b>Current assets</b>		<b>6,222,196,545</b>	<b>4,664,722,859</b>
Inventories	6	2,204,543,435	1,640,495,349
Accounts receivable	7	72,181,731	30,873,739
Other receivables	8	101,499,077	70,795,853
Advance, security deposit and prepayments	9	1,597,539,128	1,087,276,308
Investment in FDRs	10	1,511,848,000	1,149,889,212
Cash and bank balances	11	734,585,174	685,392,398
<b>Total assets</b>		<b>9,249,917,302</b>	<b>7,192,630,850</b>
<b>Equity and liabilities</b>			
<b>Capital and equity</b>		<b>5,354,241,642</b>	<b>4,314,562,983</b>
Share capital	12	390,000,000	390,000,000
Retained earnings	13	4,964,241,642	3,924,562,983
<b>Non-current liabilities</b>		<b>748,323,480</b>	<b>688,353,295</b>
Lease liabilities (After current portion)	14	672,919,845	578,248,185
Payable for gratuity	15	28,923,208	81,740,278
Deferred tax liability	16	46,480,427	28,364,832
<b>Current liabilities</b>		<b>3,147,352,180</b>	<b>2,189,714,572</b>
Lease liabilities (Current portion)	14	121,686,538	80,947,852
Security deposits	17	15,458,308	13,186,046
Accounts payable	18	441,616,451	879,122,060
Other payables	19	1,718,438,399	321,541,930
Provision for WPPF & WF	20	86,535,672	80,617,856
Provision for income tax	21	763,616,811	814,298,828
<b>Total equity and liabilities</b>		<b>9,249,917,302</b>	<b>7,192,630,850</b>

This Financial Statement should be read in conjunction with annexed notes.

  
**Abul Bashir Khan, FCMA**  
**Chief Financial Officer**


  
**Abdul Haque**  
**Managing Director**

  
**Waliul Islam**  
**Chairman**

Place: Dhaka  
Dated: 15 December 2022

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants



  
**Ummay Sumaya Jahan FCA, ACMA**  
**(UK), CGMA, Partner**  
**ICAB Enrollment No: 1818**  
**DVC: 2212151818AS296897**



**SMC Enterprise Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2022**

Particulars	Notes	Amount in BDT.	
		2021-2022	2020-2021
Net revenue	22	10,739,522,871	9,228,473,314
Cost of goods sold	23	(6,704,694,916)	(5,685,488,727)
<b>Gross profit</b>		<b>4,034,827,955</b>	<b>3,542,984,587</b>
<b>Operating expenses</b>		<b>(2,337,318,230)</b>	<b>(1,984,524,028)</b>
Administrative expenses	24	(1,166,948,515)	(967,513,764)
Selling & marketing expenses	25	(1,170,369,715)	(1,017,010,264)
<b>Gross operating profit for the year</b>		<b>1,697,509,726</b>	<b>1,558,460,559</b>
Finance expenses	26	(28,340,588)	(3,550,939)
<b>Net operating profit for the year</b>		<b>1,669,169,138</b>	<b>1,554,909,620</b>
Other income	27	61,544,303	57,447,490
<b>Profit before WPPF &amp; WF for the year</b>		<b>1,730,713,441</b>	<b>1,612,357,110</b>
Provision for contribution to WPPF & WF		(86,535,672)	(80,617,856)
<b>Profit before tax for the year</b>		<b>1,644,177,769</b>	<b>1,531,739,255</b>
Income tax expense		(467,999,110)	(464,315,734)
Current tax expense		(449,883,515)	(476,250,262)
Deferred tax income/(expense)	16	(18,115,595)	11,934,528
<b>Total comprehensive income</b>		<b>1,176,178,659</b>	<b>1,067,423,521</b>

This Financial Statement should be read in conjunction with annexed notes.



**Abul Bashir Khan, FCMA**  
**Chief Financial Officer**



**Abdul Haque**  
**Managing Director**



**Waliul Islam**  
**Chairman**

**Signed for & on behalf of**  
**MABS & J Partners**  
Chartered Accountants



**Ummay Sumaya Jahan FCA, ACMA**  
**(UK), CGMA, Partner**  
**ICAB Enrollment No: 1818**  
**DVC: 2212151818AS296897**

Place: Dhaka  
Dated: 15 December 2022





**SMC Enterprise Limited**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2022**

(Amount in BDT.)

Particulars	Share Capital	Retained Earnings	Vendor's Account-SMC (Potential Shares)	Total Equity
Opening balance	390,000,000	3,924,562,983	-	4,314,562,983
Net profit for the year	-	1,176,178,659	-	1,176,178,659
Cash dividend paid for the year 2020-2021	-	(136,500,000)	-	(136,500,000)
<b>Balance as at 30 June 2022</b>	<b>390,000,000</b>	<b>4,964,241,642</b>	<b>-</b>	<b>5,354,241,642</b>

Particulars	Share Capital	Retained Earnings	Vendor's Account-SMC (Potential Shares)	Total Equity
Opening balance	100,000,000	2,907,139,462	290,000,000	3,297,139,462
Add: Allotted new shares on August 16, 2020	290,000,000	-	(290,000,000)	-
Net profit for the year	-	1,067,423,521	-	1,067,423,521
Cash dividend paid for the year 2019-20	-	(50,000,000)	-	(50,000,000)
<b>Balance as at 30 June 2021</b>	<b>390,000,000</b>	<b>3,924,562,983</b>	<b>-</b>	<b>4,314,562,983</b>



**Abul Bashir Khan, FCMA**  
**Chief Financial Officer**



**Abdul Haque**  
**Managing Director**



**Waliul Islam**  
**Chairman**

Place: Dhaka

Dated: 15 December 2022





**SMC Enterprise Limited**  
**Statement of Cash Flows**  
For the year ended June 30, 2022

Particulars	Amount in BDT.	
	2021-2022	2020-2021
<b>A. Cash flows from operating activities:</b>		
Received from customers	11,994,191,676	10,435,470,144
Received from other Income	16,982,139	14,766,713
<b>Total Received</b>	<b>12,011,173,815</b>	<b>10,450,236,857</b>
Advance, deposit & prepayment	36,479,092	31,462,402
Advertisement & promotion	362,880,858	332,985,012
Common service	85,030,481	73,338,853
General operating expenses	144,951,274	125,020,589
Honorarium	1,642,574	1,416,721
Incentive paid	76,778,665	66,221,656
Insurance	6,301,340	5,434,910
LC and C&F bill paid	2,733,419,951	2,388,358,793
Official travel expenses	2,287,589	1,973,047
Paid to area offices & factories	815,836,613	703,659,690
Paid to PF, GF, WPPF & WP	202,859,744	174,966,682
Salary & benefits	841,280,154	725,604,764
Suppliers & contractors	4,485,789,789	3,869,876,405
VAT & tax paid	1,331,100,014	1,148,074,759
<b>Total Payment</b>	<b>11,126,638,139</b>	<b>9,648,394,284</b>
<b>Net cash used in / Generated from operating activities</b>	<b>884,535,676</b>	<b>801,842,573</b>
<b>B. Cash flows from Investing activities:</b>		
Encashment of FDR	468,333,304	51,422,500
Investment in FDR	(790,000,000)	(650,000,000)
Purchase of property, plant & equipment	(377,176,203)	(395,776,071)
<b>Net cash used in investing activities</b>	<b>(698,842,900)</b>	<b>(994,353,571)</b>
<b>C. Cash flows from financing activities :</b>		
Dividend paid	(136,500,000)	(50,000,000)
<b>Net cash used in financing activities</b>	<b>(136,500,000)</b>	<b>(50,000,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>49,192,776</b>	<b>(242,510,998)</b>
Cash and bank balances at beginning of the year	685,392,398	927,903,396
<b>Cash and bank balances at end of the year</b>	<b>734,585,174</b>	<b>685,392,398</b>



**Abul Bashir Khan, FCMA**  
**Chief Financial Officer**



**Abdul Haque**  
**Managing Director**



**Waliul Islam**  
**Chairman**

Place: Dhaka

Dated: 15 December 2022





**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

**1. Background and business activities of the Company**

**1.1 Company Profile**

SMC Enterprise Limited ("SMC EL" or "the Company"), a private company limited by shares was incorporated in Bangladesh bearing Registration No. C-118753/14, dated 20 October, 2014 under the Companies Act, 1994. Registered address of the company is SMC Tower, 33 Banani Commercial Area, Dhaka 1213. The Company obtained registration from the Bangladesh Investment Development Authority (BIDA), Government of Bangladesh under Registration No. L-30031503052-H, dated 16 March, 2015. Commercial operation started from 1 January 2015.

A vendor's agreement has been executed between Social Marketing Company (Vendor) and SMC Enterprise Limited (Vendee) on 01 January 2015 to acquire and take over the business of manufacturing, trading and other commercial operations of Social Marketing Company. Social Marketing Company has authorized SMC Enterprise Limited at the Board meeting held on 22 December 2014 to receive the scheduled property and stock at their net book value of Tk 1,480,556,533 as certified by MABS & J Partners, Chartered Accountants. An addendum was incorporated in the vendor's agreement dated 03 May 2017 as per the decision of the Board. The consideration for such transactions is to be revised and settled in the following manner:

<b><u>Particulars</u></b>	<b><u>BDT.</u></b>
a) Total Consideration	1,480,556,533
Less: Adjustment against excess valuation of property & stock	40,652,052
Total consideration after adjustment	<b>1,439,904,481</b>
Less: Cash payment made upto 30 June 2020	950,000,000
Less: Shares issued till 30 June 2020	100,000,000
Outstanding amount to be paid:	<b>389,904,481</b>
b) Due Amount to be paid in Cash	
30 March 2020	50,000,000
30 September 2020	50,000,000
31 December 2020	49,904,481
	<b>149,904,481</b>
Adjusted with Lease agreement made on 25 June 2020	-
	<b>149,904,481</b>
Adjusted with land sold by SMC	-
<b>Total cash consideration to be paid</b>	<b>149,904,481</b>
c) Shares to be issued in phases	290,000,000
29,00,000 new shares allotted on August 16,2020	(290,000,000)
<b>Outstanding shares to be issued</b>	<b>-</b>

**1.2 Nature of business**

SMC Enterprise Limited was formed as a 'for-profit subsidiary' of Social Marketing Company to run commercial operations. All manufacturing and trading operations of self-financed products are implemented through the Enterprise. The company markets a diverse range of brands under multiple product categories such as pills, condoms, ORSaline-N, health & hygiene, pharma products, food products, beverage items etc. to specific segments supported with brand-specific advertising and promotion, and manages a nationwide distribution operation through 12 area offices located across the country.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

SMC EL has made a contract dated 04 May 2016 with Julphar Bangladesh Limited (later renamed as Jenphar Bangladesh Limited) for Toll Manufacturing of the pharma products. As per contract the commercial operation was started in May 2017 and the sales was started in August 2017, where Jenphar Bangladesh Limited produces total 34 pharma items for SMC EL.

SMC EL also procures ORS-N, Contraceptive Pills, Drinking water. SMC Fruity, SMC Plus, Germ kill, SMC Honey, SMC petroleum jelly from Renata Ltd, Popular Pharmaceuticals Ltd., ACME Laboratory Ltd., Essential Drugs Company Ltd. (EDCL), Ifad Multiproduct Ltd. Care Nutrition Limited, AANT Cosmetics Limited, under the Contract Manufacturing Agreement.

**2. Basis of preparation of Financial Statements**

**2.1 Statement of compliance**

The financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), the Companies Act 1994, and other relevant local laws as applicable.

In addition to the above, the entity is also required to comply with the requirements of the following:

The Income Tax Ordinance, 1984;  
The Income Tax Rules, 1984;  
The Value Added Tax Act, 2012;  
The Value Added Tax Rules, 2016;  
The Customs Act, 1969;  
The Bangladesh Labour Act (Amendment) 2013,  
The Sale of Goods Act 1930;

**2.2 Basis of Measurement**

The financial statements have been prepared on going concern concept, historical cost convention and on accrual basis in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and in compliance with the Companies Act 1994.

**2.3 Components of financial statements**

The financial statements comprise the following:

- Statement of Financial Position as at 30 June 2022
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022
- Statement of Changes in Equity for the year ended 30 June 2022
- Statement of Cash Flows for the year ended 30 June 2022
- Notes to the Financial Statements including accounting policies and other explanatory notes for the year ended 30 June 2022.

**2.4 Functional and presentation currency**

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

**2.5 Use of estimates and judgments**

The preparation of financial statements requires management to make 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Note: 4 Depreciation on property, plant and equipment.

Note: 4.1 Right of Use (ROU) Assets

Note: 6 Inventory valuation

Note: 7 Accounts receivable

Note: 16 Payable for gratuity

Note: 17 Deferred tax liabilities

Note: 22 Provision for Income Tax

**2.6 Reporting period**

The financial year of the company covers twelve months from 01 July to 30 June and will be followed consistently.

**3. Significant accounting policies**

**3.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention and with due compliance with the International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations.

**3.2 Property, plant and equipment**

**3.2.1 Recognition and measurement**

Property, plant and equipment are stated at cost or revalued amount if any less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: Property Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its location and condition for its intended use inclusive of inward freight, duties and non-refundable takes.

**3.2.2 Subsequent Costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.



# SMC Enterprise Limited

## Notes to the financial statements

As at and for the year ended June 30, 2022

### 3.2.3 Depreciation

Depreciation is charged on property, plant and equipment (except land) using straight line method over the estimated useful life of each item of property, plant and equipment. Depreciation on addition to property, plant and equipment is charged from the date when assets is put into use for commercial operation. No depreciation is charged on the assets from the month on which such assets are disposed. Depreciation of Tk. 177,437,939 has been charged in factory overhead on the total cost of fixed assets of all factories of Tk. 2,274,302,591 and depreciation Tk. 166,900,191 has been charged in operating expenses on the total cost of fixed assets of Head Office, all area offices, CWH and ROU assets of Tk. 1,918,538,277. The rates of depreciation varies from 2.5% to 30% p.a. based on useful lives and nature of the assets rates of depreciation are as follows:

Category of Assets	Rate (p.a)
Office Building	2.50%
Factory Building	5%
Lift	20%
Power sub-station & Generator	20%
Fire control system	20%
Central air conditioning	20%
Deep tubewell	15%
Plant and machineries	10%
QC equipment	10%
Central warehouse equipment	10%
Furniture and fittings	10%
Vehicles	20%
Other equipment	20%
Office equipment	20%
Other assets	20%
Mobile phone	30%
Water Treatment Plant	15%
Software Development	20%
Diesel Reservoir	20%

### 3.3 Financial assets

Financial assets of the company include cash and bank balances, investment in FDR, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

#### 3.3.1 Investment in FDR

The Company has the positive intent and ability to hold FDR to maturity and such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognized initially at fair value. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

**3.3.2 Account receivables**

Accounts receivable are initially recognized as invoice amount and subsequently measured at invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off, firstly against any provision available and then to the profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the profit or loss and other comprehensive income.

**3.3.3 Cash and bank balances**

Cash and bank balances include cash in hand and at banks which are held and available for use by the company without any restriction.

**3.3.4 Advance, deposit and prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to statement of profit or loss and other comprehensive income. Balance of VAT current account of ORS and H&H factory (Note # 9.1) was adjusted during FY 2021-22 in the return for the month of October 2021. We have obtained the approval for adjustment on 13/09/2021 vide letter reference number 10410, dated 13/09/2021.

**3.4 Financial liabilities**

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

**3.4.1 Loans and borrowings**

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

**3.4.2 Finance income and expenses**

Finance income comprises interest income on funds invested as FDR, bank deposits. Interest income is recognized using accrual principle.

Finance expenses (Note # 27) comprise interest expenses which was incurred @ 1.00% p.a. on the outstanding balance of lease rental as per deed of Lease Agreement with Social Marketing Company. Interest expenses under administrative expenses (Note # 25) was incurred for complying of IFRS 16. Banks and NBFIs service charges were recognized in the statement of Profit or Loss and other comprehensive income using effective interest rate method.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

**3.4.3 IFRS 16, Leases**

IFRS 16 eliminates the distinction between operating and finance leases and requires lessees to recognize all leases with a lease term of greater than 12 months in the statement of financial position. Most of the agreements of Head Office, warehouses and area offices are more than 12 months and hence the company as a lessee has brought in both assets and liabilities of the statement of financial position as at 30 June 2022. The company adopted this standard from FY 2019-20.

In the context of the transition to IFRS 16, right of use assets (ROU) Tk. 670.66 million and lease liabilities Tk. 451.02 million were recognized as on 30th June 2022. Tk. 115.85 million is due within one year, Tk. 314.27 million is due with two years but less than 5 years and Tk. 20.89 million due within above 5 years of these lease liabilities.

**3.4.4 Contingent liability**

A contingent liability is a liability that may occur depending on the outcome of an uncertain future event such as pending lawsuits. A contingent liability is recorded if the contingency is likely and the amount of the liability can be reasonably estimated.

There was contingent Liability of Income Tax of the Government estimated at Tk. 2,71,34,012 for the cases pending in the office of the Deputy Commissioner of Taxes for the assessment year 2017-18.

After making appeal, the DCT waived the demand of Tk. 2,71,34,012 in his subsequent assessment order dated November 15, 2021, so at present there is no contingent liability of the company.

**3.5 Inventories**

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: "Inventories". Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

**3.6 Revenue Recognition**

In compliance with the requirements of IFRS-15: Revenue is recognized only when it completes the 5 steps model:

- Step-1 Identify the contract with a customer.
- Step-2 Identify the performance obligations in the contract.
- Step-3 Determine the transaction price.
- Step-4 Allocate the prices to the performance obligations
- Step-5 Recognize revenue.

**3.7 Value Added Tax exempted products**

VAT is exempted for all kinds of contraceptive, Sheath Contraceptive and Sanitary napkin as per SRO # 141/AIN/2021/138-Mushak, dated 03 June, 2021. Other products are VATable.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

**3.8 Employee benefits**

**3.8.1 Defined contribution plan (provident fund)**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company has recognised provident fund as approved by NBR.

**3.8.2 Defined benefit plan (Gratuity)**

Defined benefit plan is a retirement benefit plan under which amounts to be paid as retirement benefits are determined by reference to employees' earnings and/or year of services. The Company has funded gratuity fund approved by NBR. The Employees' gratuity fund is being considered as defined benefit plan as it meets the recognition criteria of IAS-19, Employee Benefit. The Company's obligation is to provide the agreed benefits to current employees as per condition of the fund.

The Company operates a NBR approved Gratuity Scheme for its permanent employees; provision of gratuity for management staff is made annually against one month's basic salary for each completed year of services of an eligible employee upto 9 (Nine) years of service period and one & half month's basic salary for each completed years of service of an eligible employee 10 (Ten) years and over service period.

Provision of Gratuity for graded staff is made annually one gratuity for 1 to 4 years of completed service, one & half gratuity for 5 to 8 years of completed years of service and two gratuity for 9 and above years of service.

**3.8.3 Workers' Profit Participation Fund (WPPF)**

This is required to be made in compliance with section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013). As per that Act, 5% of the net profit of each year, not later than 9 (nine) months from the close of that period, is required to be transferred to the fund, the proportion of the payment to the participation fund and the welfare fund being 80:10. The remaining 10% shall be paid by the company to the workers' welfare foundation fund, as formed under the provision of the Bangladesh Workers' Welfare Foundation Act 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner stated in section 242 of that Act.

The company makes provision @ 5% of its net profit before tax as a contribution to workers' profit participation fund before tax and charging such expense in accordance with The Bangladesh Labour Act 2006 (As amended in 2013).

**3.8.4 Group Insurance**

The company has a Group insurance policy which cover loss of accident of all permanent employees during their employment with the company. In the event of death while being employed by the company, the nominee/s shall be paid the benefit of the policy as per entitlement.

**3.9 Taxation**

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to item recognised directly in equity.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

**3.9.1 Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date. The applicable tax rate for the Company is 27.50%. Provision for current tax expenses has been made on the basis of Finance Act 2022 of Income Tax Ordinance 1984.

**3.9.2 Deferred tax**

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognised in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognised in current year. The deferred tax asset/income or liability/expense does not create a legal recoverability/liability to and from the income tax authority.

**3.10 Statement of cash flows**

Statement of cash flows is prepared principally in accordance with IAS-7: Statement of Cash Flow and the cash flows from operating activities have been presented under direct method.

**3.11 Provision**

A provision is recognized on the date of financial position if, as a result of past events, the company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

**3.12 Foreign currency transactions**

Foreign currency transactions are converted into Bangladesh Taka at exchange rates prevailing on the dates of transactions. Assets and liabilities in foreign currency as at 30 June 2022 were converted into Taka/Tk./BDT at the exchange rate prevailing on the closing date.

**3.13 Events after the reporting period**

Amounts recognised in the financial statements are adjusted for events after reporting periods that provide evidence of conditions that existed at the end of the reporting period. So there is no event after the reporting period.

**3.14 General**

- i. Figures have been rounded off to the nearest Taka.
- ii. Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

**3.15 Comparative information**

Comparative information has been presented in respect of the prior period in accordance with IAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.



**SMC Enterprise Limited**  
**Notes to the financial statements**  
**As at and for the year ended June 30, 2022**

3.16 Status of compliance of International Accounting Standards

The Company's status of compliance with applicable Financial Reporting Standards is as under:

<b>IAS</b>	<b>Title</b>	<b>Remarks</b>
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
39	Financial Instruments: Recognition and Measurement	Complied

<b>IFRS</b>	<b>Title</b>	<b>Remarks</b>
7	Financial Instruments: Disclosures	Complied
12	Disclosure of Interest in Other Entities	Complied
13	Fair value measurement	Complied
15	Revenue from Contracts with Customers	Complied
16	Leases	Complied

<b>Lease Tenure</b>	<b>Lease Amount</b>
1 year but less than 2 years	121,686,538
2 years but less than 5 years	347,448,088
Above 5 years	325,471,757
<b>Total</b>	<b>794,606,383</b>



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

#### 4. Property, plant and equipment

##### A. Cost

Opening balance	3,100,422,331	2,853,640,207
Less: Adjustment of opening balance	52,787,149	-
	3,047,635,182	2,853,640,207
Add: Addition during the year	459,045,286	250,263,281
	3,506,680,469	3,103,903,488
Less: Disposal during the year	96,588,202	3,481,157
<b>Total</b>	<b>3,410,092,267</b>	<b>3,100,422,331</b>

##### B. Accumulated depreciation

Opening balance	1,065,573,494	864,797,255
Less: Adjustment of opening balance	52,787,149	-
	1,012,786,345	864,797,255
Add: Charged during the year	221,699,968	202,992,888
	<b>1,234,486,313</b>	<b>1,067,790,143</b>
Less: Adjustment for disposal during the year	87,446,735	2,216,649
<b>Total</b>	<b>1,147,039,578</b>	<b>1,065,573,494</b>
<b>Written down value (A-B)</b>	<b>2,263,052,689</b>	<b>2,034,848,838</b>

#### 4.1 Intangible assets

C. Opening balance	14,133,757	9,660,000
Add: Addition during the year	2,469,316	4,473,757
<b>Total</b>	<b>16,603,073</b>	<b>14,133,757</b>

##### D. Accumulated depreciation

Opening balance	6,152,595	3,641,804
Add: Charged during the year	3,102,637	2,510,791
<b>Total</b>	<b>9,255,232</b>	<b>6,152,595</b>
<b>Written down value (C-D)</b>	<b>7,347,841</b>	<b>7,981,162</b>

#### 4.2 Right of Use (ROU) Assets

E. Opening balance	412,898,625	194,937,141
Add: Addition during the year	257,759,494	217,961,484
<b>Total</b>	<b>670,658,119</b>	<b>412,898,625</b>

##### F. Accumulated depreciation

Opening balance	89,828,162	27,333,287
Add: Charged during the year	119,462,663	62,494,875
<b>Total</b>	<b>209,290,825</b>	<b>89,828,162</b>
<b>Written down value (E-F)</b>	<b>461,367,294</b>	<b>323,070,463</b>

A schedule of property, plant and equipment is given in **Annexure-A**



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

- 4.2 Property, plant and equipment includes land & buildings of Taka 134,668,703 and Taka 229,669,842 respectively, which has been acquired from Social Marketing Company (SMC) through vendor's agreement dated 01 January 2015. A lease agreement has been made between SMC (Lessor) and SMC Enterprise Ltd. (Lessee) on 25 June 2020. The Lessee agreed to take the "DEMISED PROPERTY" under finance lease for a period of 50 (fifty) years. The DEMISED PROPERTY consists of Land and Building at a total value of Taka 36,35,82,381. Out of the above amount taka 13,39,12,539 and 22,96,69,842 for Land and buildings respectively.

## 5 Capital work-in-progress

Construction work at Bhaluka for ORS factory	22,275,381	20,552,122
FMCG Production facilities at Bhabanipur	1,544,658	-
Construction work for expansion of FMD Factory	42,555,453	10,583,853
Construction work at Khulna	1,452,788	782,303
Construction work for expansion of H&H Factory	191,563,925	117,762,710
Property, plant and equipment (Other than construction works)	36,560,729	12,326,541
	<b>295,952,934</b>	<b>162,007,528</b>

The movement and subsequent position of this amount is as under:

Opening balance	162,007,528	46,621,727
Add: Addition during the year	140,039,501	140,241,797
	302,047,029	186,863,524
Less: Transfer to property, plant and equipments during the year	6,094,095	24,315,996
Less: Transfer to revenue expenditure during the year	-	540,000
	<b>295,952,934</b>	<b>162,007,528</b>

## 6. Inventories

Raw Materials	830,892,704	293,086,930
Packaging Materials	269,432,588	181,997,928
POP materials	21,623,567	10,682,307
Spare parts	46,752,088	37,799,657
Generator Fuel	2,213,307	1,603,657
Work in Progress	29,292,032	13,551,676
Finished Goods	1,004,337,149	1,101,773,194
	<b>2,204,543,435</b>	<b>1,640,495,349</b>

## 7. Accounts Receivable

Receivable from SMC	27,449,250	10,147,673
Receivable from Sales (Other than SMC & Pharma)	27,707,094	19,871,089
Receivable from Pharma Sales (Note: 7.2)	17,025,387	854,977
	<b>72,181,731</b>	<b>30,873,739</b>

### 7.1 Accounts receivable (other than pharma)

Opening balance	30,018,762	31,399,690
Add: Sales during the year	11,284,445,131	9,836,167,758
	11,314,463,893	9,867,567,448
Less: Collection during the year	11,259,307,549	9,837,548,686



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021
		<b>55,156,344</b>	<b>30,018,762</b>

## 7.2 Accounts receivable-Pharma

Opening balance	854,977	2,160,111
Add: Sales during the year	830,656,332	665,873,359
	831,511,309	668,033,470
Less: Collection during the year	814,485,922	667,178,493
	<b>17,025,387</b>	<b>854,977</b>

The aging of above accounts receivables as at the statement of financial position date was:

### Aging of the above receivables is given below

Past due 0-30 days	30,602,078	13,089,193
Past due 31-90 days	5,412,252	2,314,941
Past due over 91 days	36,167,400	15,469,605
	<b>72,181,731</b>	<b>30,873,739</b>

## 8. Other Receivables

Receivable for TBA/NGO/Packing Bill	1,499,810	579,123
Receivable against insurance claim	3,512,398	230,250
Receivable from PF, GF & WPPF	81,091	-
Receivable for Material Loan	21,068,285	-
Sales VAT Receivable (Mushak-9.1)	1,077	-
Receivable against Lease agreement (Note: 8.1)	64,434,064	64,434,064
Interest receivable on FDRs	10,902,352	5,552,416
	<b>101,499,077</b>	<b>70,795,853</b>

### 8.1 Receivable against Lease agreement

Opening balance	64,434,064	214,434,064
Less: Received during the year	-	(150,000,000)
	<b>64,434,064</b>	<b>64,434,064</b>

## 09. Advance, deposit and prepayments

Advance (Note: 9.1)	1,586,888,268	1,076,625,448
Security Deposit (Note: 9.2)	10,650,860	10,650,860
	<b>1,597,539,128</b>	<b>1,087,276,308</b>

### 9.1 Advances and prepayments

Advance against expenses	19,988,412	29,838,864
Advance against import	672,158,085	211,950,114
Advance Income Tax (Note: 9.1.1)	783,830,089	714,952,925
Prepaid Expenses	6,044,109	4,502,680
Margin against Bank Guarantee	1,160,000	1,160,000
Vehicle loan (Note-9.1.2)	34,866,842	30,767,589
Advance Against Salary	1,913,598	1,223,631
Advance to Area offices	2,852,202	2,742,435
Advance Trade VAT	21,727	-



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021
	VAT Current Account-ORS Factory	-	6,199,500
	VAT on Stock	42,037,839	46,179,640
	VAT Current Account-Health & Hygiene Factory	-	7,849,945
	Advance against Raw Materials	-	1,586,875
	Meghna Sugar Refinery Ltd.	124,489	2,839,511
	Abdul Monem Sugar Refinery Limited	19,958,666	8,537,318
	Abu Shahed Emon	1,500,000	1,500,000
	Excelsior Trading Corporation Ltd.	150,000	150,000
	HRC Lighting Limited	5,913	5,913
	Marks Automation Ltd.	55,500	52,944
	Mediastar Limited.	-	82,476
	M/S. Taher Enterprise	-	125,549
	N9ine Consultancy	-	3,267,045
	ODCP ICON	-	37,500
	Premas Magic Fantasy	-	34,500
	Shaoon Enterprise	-	218,444
	Star Particle Board Mills Ltd.	-	115,650
	Zakir Ahmed	-	669,900
	Allied Graphic	-	34,500
	Badal and Company	220,798	-
		<b>1,586,888,268</b>	<b>1,076,625,448</b>

#### 9.1.1 Advance Income Tax

Opening balance	714,952,925	461,697,765
Add: Addition during the period	534,480,922	512,440,609
	1,249,433,847	974,138,374
Less: Adjustment for the assessment year 2020-21	465,603,758	259,185,449
	<b>783,830,089</b>	<b>714,952,925</b>

As per clause 1(a) of section 94 of Income Tax Ordinance 1984, if NBR does not assess the income of two years from the end of the first assessment year in which the income was first assessable then the amount of tax provision can be adjusted based on the acknowledgement receipt from NBR at the time of payment of tax as per return under section 82BB. So here SMC Enterprise Limited has adjusted the tax paid for the assessment year 2020-21 (Sec.: 82BB) against the advance income tax. The company subsequently will adjust if there is any over or under provision assessed by NBR.

#### 9.1.2 Vehicle Loan

The above loan was provided by the Company to its sales and management staff to increase their operational efficiency. Entire amount Tk 34,866,842 was receivable from the sales and management level personnel against motor car/Motorbike loan under this scheme through a fixed number of installments without interest.

The movement and subsequent position of this amount is as under:

Opening balance	30,767,589	29,843,075
Add: Advance given during the year	14,749,000	10,850,755
Add: Adjustment of opening balance	98,625	-
	45,615,214	40,693,830
Less :Adjusted/Realized during the year	10,748,372	9,926,241
	<b>34,866,842</b>	<b>30,767,589</b>



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

## 9.2 Security Deposit

Performance Security to BRAC	30,000	30,000
Titas Gas	321,280	321,280
Pragati Insurance Limited	1,000,000	1,000,000
Palli Biddut Samitee	6,054,620	6,054,620
Power Development Board (PDB)	768,000	768,000
Rural Electrification Board (REB), Bhaluka, Mymensingh	2,476,960	2,476,960
	<b>10,650,860</b>	<b>10,650,860</b>

## 10. Investment in FDR

Bank	1,325,729,874	1,079,132,137
Non Banking Financial Institution (NBFI)	186,118,127	70,757,075
	<b>1,511,848,000</b>	<b>1,149,889,212</b>

## 11. Cash and Bank balances

Cash in hand	72,756,649	8,983,365
Cash at bank	661,828,525	676,409,033
	<b>734,585,174</b>	<b>685,392,398</b>



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

## 12. Share capital

### a. Authorized share capital

5,000,000 Ordinary shares of BDT 100 each

**500,000,000**      **500,000,000**

### b. Issued, subscribed and paid-up share capital

3,900,000 ordinary shares of BDT 100 each fully paid-up

**390,000,000**      **390,000,000**

### c. The composition of fully paid-up share capital is as follows:

Name of Shareholders	Position	Nationality	No. of shares	Face value per share BDT.	Amount in BDT.	
SMC (Represented by its director Mr. Muhammed Ali)	Shareholder	Bangladeshi	3,899,998	100	389,999,800	389,999,800
Mr. Siddiquir Rahman Chowdhury	Director	Bangladeshi	1	100	100	100
Mr. Md. Ali Reza Khan	Director	Bangladeshi	1	100	100	100
			<b>3,900,000</b>		<b>390,000,000</b>	<b>390,000,000</b>

## 13. Retained earnings

Opening Balance

3,924,562,983      2,907,139,462

Add: Net profit for the year

1,176,178,659      1,067,423,521

5,100,741,642      3,974,562,983

Less: Dividend paid in cash during the period

(136,500,000)      (50,000,000)

**4,964,241,642**      **3,924,562,983**

## 14. Lease Liabilities with SMC

Opening Balance

349,368,907      355,093,947

Less: Transferred to accounts payable

5,782,290      5,725,040

**Closing Balance**

**343,586,617**      **349,368,907**

Current portion (a)

5,840,113      5,782,290

Non Current portion ©

337,746,503      343,586,616

**Total**

**343,586,617**      **349,368,906**

### Lease Liabilities (IFRS 16)

Opening Balance

309,827,131      158,764,289

Add: Addition during the year

250,585,494      205,173,283

560,412,625      363,937,572

Less: Adjustment during the year

109,392,859      54,110,441

**Closing Balance**

**451,019,766**      **309,827,131**

Current portion (b)

115,846,425      75,165,562

Non Current portion (d)

335,173,341      234,661,569

**Total**

**451,019,766**      **309,827,131**

Total Current portion (a+b)

121,686,538      80,947,852

Total Non Current portion (c+d)

672,919,845      578,248,185

**794,606,383**      **659,196,037**

## 15 Payable for gratuity

Opening Balance

81,740,278      56,698,416

Add: Provision made during the Period

28,923,208      81,740,278

110,663,486      138,438,694

Less: Transferred to fund during the year

81,740,278      56,698,416

**28,923,208**      **81,740,278**



## 16 Deferred Tax Liabilities

Deferred tax liability has been recognized in accordance with the provision of IAS-12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and its tax base.

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
<b>As at 30 June 2022</b>			
Property, plant and equipment - (Excluding land)	1,538,842,389	1,340,899,446	197,942,943
Permanent difference for Vehicle exceeding Tk 2,500,000	-	-	-
			197,942,943
Gratuity provision	(28,923,208)		(28,923,208)
Taxable temporary difference			169,019,735
Applicable Tax Rate			27.50%
<b>Deferred tax liability</b>			<b>46,480,427</b>
<b>As at 30 June 2021</b>			
Property, plant and equipment - (Excluding land)	1,361,628,869	1,185,339,149	176,289,720
Permanent difference for Vehicle exceeding Tk 2,500,000	-	-	-
			176,289,720
Gratuity provision	(81,740,278)		(81,740,278)
Taxable temporary difference			94,549,441
Applicable Tax Rate			30.00%
<b>Deferred tax liability</b>			<b>28,364,832</b>

Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

### Deferred (Income)/ Expense

Closing balance of Deferred tax liability	46,480,427	28,364,832
Opening Balance of Deferred tax liability	(28,364,832)	(40,299,361)
<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>18,115,595</b>	<b>(11,934,529)</b>

## 17 Security deposit

Neptune Advertisers	111,790	111,790
Adway Publicity	288,916	288,916
Azad Art Hall	163,363	163,363
Aziz & Company Ltd.	96,330	34,000
Asiatic Marketing Communication Ltd	154,441	154,441



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021
	Magnum Eng. & Const. Ltd	1,186,448	1,186,448
	Adcomm Ltd.	9,978	9,978
	ACMEC Consortium Ltd.	108,000	108,000
	Bitopi Advertising Ltd.	246,121	246,121
	Asiatic Marketing Comm. Ltd.	10,610	10,610
	Airy International	775,586	109,472
	Transcom Electronics Ltd.	-	152,791
	Cross World Power Ltd.	-	856,925
	Nutech Construction Chemical Ltd	41,678	41,678
	Mayer Dawua Thai Alominium Fabricator	37,501	37,501
	Power property care service	8,375	8,375
	Godhury Marketing Communication	595,108	595,108
	Nexus Trading	396,366	396,366
	Nodi Enterprize	94,500	94,500
	Gray Advt.(BD) Ltd.	37,791	37,791
	Nazma Construction Co.	1,373,504	1,373,504
	ISE LTD.	64,780	64,780
	Energypac Engg. Ltd.	-	1,842,872
	Noor Ad.	72,000	72,000
	Multi Product Engg. Ltd	-	643,874
	Uranus Communication	183,000	183,000
	OOH Leader & Printers	362,250	362,250
	Confidence Trade Limited	198,768	-
	ICEL Private Limited	447,431	-
	THREE STAR ENGINEERING WORKS	237,506	-
	Tarique Hasan & Associates Limited	48,104	-
	Electro Mart Ltd.	233,976	-
	GREY	31,433	31,433
	Ogilvy & Mather Communication Pvt. Ltd	1,444	1,444
	Paragon Ceramic Industries Ltd	167,290	167,290
	Build Asia	728,855	728,855
	Shamsuddin Mia & Associates Ltd.	5,920,508	2,151,510
	Marn Steel Structure Ltd.	211,393	201,103
	Base Technologies Ltd.	813,165	717,957
		<b>15,458,308</b>	<b>13,186,046</b>
<b>18</b>	<b>Accounts payable</b>	<b>441,616,451</b>	<b>879,122,060</b>

A Schedule of Accounts payable is given in **Annexure-C**



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

#### 19 Other payables

CSR Fund (Corporate Social Responsibility)	-	425,586
Withholding tax and VAT	33,374,357	15,619,280
Payable to Area offices	2,926,459	144,430
Liabilities for expenses	112,158,309	80,897,951
Liabilities for Incentive payable	106,952,217	92,911,435
Payable to PF, GF & WPPF	-	8,208,246
Advance Trade VAT	-	38,115,063
Liability for inventory write off	9,425,894	15,952,947
Payroll Tax payable	12,061	-
Liabilities for UPAS LCs	1,443,474,722	-
Advance collection from customers	300,366	-
Sales VAT payable	-	62,188,174
Liabilities for distributors' payment	1,384,502	-
Payable for Gratuity Loan	699,551	-
SMC EL Shromik O Kormochary League	23,800	-
Current Account with ORS factory	7,706,162	7,078,818
	<b>1,718,438,399</b>	<b>321,541,931</b>

#### 20 Provision for Worker's Profit Participation Fund & Welfare Fund

Opening Balance	80,617,856	66,670,548
Add: Addition during the period	86,535,672	80,617,856
	167,153,528	147,288,403
Less: Paid during the period	80,617,856	66,670,548
	<b>86,535,672</b>	<b>80,617,856</b>

#### 21 Provision for Income Tax

Opening Balance	814,298,828	597,234,015
Add: Provision made during the year	449,883,515	476,250,262
	1,264,182,343	1,073,484,277
Less: Adjustment	500,565,532	259,185,449
	<b>763,616,811</b>	<b>814,298,828</b>



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021

## 22 Net Revenue

Gross revenue	12,115,101,463	10,502,041,117
Less : VAT on sales	1,276,164,649	1,196,675,400
Less: Sales Return	1,965,032	3,770,125
Less : Discount on Sales	97,448,911	73,122,277
	<b>10,739,522,871</b>	<b>9,228,473,314</b>

Details of gross revenue is given in **Annexure-D**.

## 23 Cost of Goods Sold

Consumption of Raw Materials	(Note-23.1)	2,253,865,240	1,801,131,071
Consumption of Packing Materials	(Note-23.2)	1,191,674,544	930,915,337
Factory Overhead	(Note-23.3)	989,202,790	816,558,786
<b>Total Cost</b>		<b>4,434,742,573</b>	<b>3,548,605,195</b>
Opening work in process		13,551,676	10,468,050
Closing work in process		(29,292,032)	(13,551,676)
<b>Cost of Production</b>		<b>4,419,002,217</b>	<b>3,545,521,570</b>
Opening stock of finished goods		1,101,773,194	596,253,970
Purchase of commodities during the year (Net)		2,188,256,653	2,645,486,382
Closing stock of finished goods		(1,004,337,149)	(1,101,773,194)
<b>Cost of Goods Sold</b>		<b>6,704,694,916</b>	<b>5,685,488,727</b>

### 23.1 Consumption of Raw Material

Opening stock of Raw materials	293,086,930	178,082,693
Purchase of Raw materials during the year (Net)	2,791,671,014	1,916,135,308
Closing stock of Raw materials	(830,892,704)	(293,086,930)
	<b>2,253,865,240</b>	<b>1,801,131,071</b>

### 23.2 Consumption of Packing Material

Opening stock of Packing materials	181,997,928	126,066,360
Purchase of Packing materials for own production	1,164,494,290	852,019,061
Purchased of Packing materials for outsourced products	114,614,913	134,827,844
Closing stock of Packing materials	(269,432,587)	(181,997,928)
	<b>1,191,674,544</b>	<b>930,915,337</b>

### 23.3 Factory Overhead

Salaries and wages		347,125,106	301,184,449
Human Resource Supplier & Management		73,233,691	53,574,172
Official Traveling expenses		6,505,121	4,388,885
General factory overhead	(Note-24.3.1)	362,501,367	305,513,311
Depreciation		177,437,939	158,231,732
Meal expenses		22,399,566	23,612,266
		<b>989,202,790</b>	<b>846,504,814</b>

#### 23.3.1 General Factory Overhead

Electricity Bill	88,785,563	77,239,838
GAS Bill	1,347,040	1,255,618
Warehouse Rent	15,572,100	60,527
Telephone bill	797,254	531,238



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021
	Internet Service	67,620	202,860
	Automobile Garage & Workshops	613,239	144,175
	Vehicle Fuel from Petrol Pump (Gas)	752,091	751,248
	Bank & NBFI Service Charge	64,600	36,954
	Uniform & Liveries	4,989,559	4,990,816
	Training Expenses	-	7,875
	Meeting and conference expenses	387,650	408,926
	Courier and Express Mail Service	25,420	33,720
	Factory supplies	59,869,584	85,370,644
	Toll Manufacturing Charge	101,952,231	55,711,931
	Repairing & Servicing	11,150,346	7,701,931
	Cartage & Porter	8,719,681	1,380,481
	Sample Expenses	-	10,630
	Govt. fees & Taxes	1,672,709	1,230,529
	Product Registration Fees	40,146	81,031
	Incentive	30,921,027	28,065,390
	Security services	8,769,507	8,428,891
	Fuel from Petrol Pump (Diesel, Octane etc.)	546,750	-
	Printing Expenses	3,525,675	-
	Health Scheme	4,738,377	-
	Consulting & Supervisory Fees	257,000	-
	Fuel from Oil Marketing Companies	13,059,820	1,269,392
	BRTA Expenses (Tax, Fitness etc.)	12,127	-
	Entertainment	2,286,571	132,871
	House Cleaning and Maintenance	560,659	327,249
	Legal and professional expenses	1,017,022	192,519
		<b>362,501,367</b>	<b>275,567,283</b>

## 24 Administrative Expenses

Salaries and benefits	683,975,053	618,085,995
Human Resource Supplier & Management	655,613	288,020
Rent	45,582,769	51,684,115
Electricity Bill	6,058,625	8,257,160
GAS Bill	269,753	140,922
Water Bill	289,348	205,368
Internet Service	817,941	244,899
Telephone Bill	14,070,204	12,546,656
Bank & NBFI Service	3,741,731	2,561,041
Office Supply	40,018,130	35,610,826
Repairing & Servicing	7,744,660	10,030,811
Legal and professional expenses	3,627,402	3,027,684
Product Registration Fees	252,478	273,600
Courier and Express Mail Service	661,588	570,896
Govt. fees & Taxes	24,935,387	1,863,667
Security service	13,091,652	12,607,513
Fuel From Oil Marketing Companies	561,733	352,069
Trade handling charges	111,800	116,600
Board Meeting Fees	4,768,930	3,270,796
Recruitment Expenses	2,359,140	1,200,140



Notes	Particulars	Amount in BDT.	
		As at & For the year ended	
		30-June-2022	30-June-2021
25	Bad Debt Expenses	-	21,103
	Software & Hardware Support Services	8,873,703	1,700,400
	Entertainment	6,360,410	3,579,637
	Meeting & conference exp.	11,077,110	2,796,721
	Insurance Expenses (General)	13,640,749	10,371,981
	Life Insurance	2,349,386	1,785,948
	Inventory write off	3,902,547	12,822,060
	Audit fees	640,000	506,000
	Meal expenses	1,711,414	1,036,673
	Sample Expenses	614,991	250,649
	Health Scheme	10,428,573	577,629
	House Cleaning and Maintenance	1,240,568	6,620
	Uniform & Liveries	1,044,083	1,291,703
	BRTA Expenses (Tax, Fitness etc.)	930,164	545,946
	Printing Expenses	5,087,643	197,900
	Fuel (Diesel, Octane etc.)	38,869,672	27,696,570
	Subscription on Trade & Professional Bodies (registered)	-	64,500
	Automobile Garage & Workshops	11,421,512	13,971,559
	Consulting & Supervisory Fees	2,424,721	540,000
	Interest Expenses (Lease-ROU assets)	25,844,635	15,044,568
	Depreciation	166,892,696	109,766,821
		<b>1,166,948,515</b>	<b>967,513,764</b>

#### Selling & Distribution Expenses

26	Advertisement Expenses	273,866,598	275,320,603
	Promotional Expenses	124,370,842	126,747,337
	Training Expenses	3,584,949	1,750,723
	RMP/TBA/Seminar/GDS	-	267,668
	Research & Development	3,242,690	6,363,747
	Incentive	59,616,386	58,802,056
	Official Traveling expenses	160,145,105	127,283,634
	Cartage & porter	85,373,147	55,505,464
	Transport Contractors	258,767,714	211,797,947
	Distribution expenses	144,284,414	97,216,566
	Fuel from Petrol Pump (Gas)	26,942,588	28,156,556
	Distribution-Labor wages	30,175,282	27,797,963
		<b>1,170,369,715</b>	<b>1,017,010,264</b>

#### Finance Expenses

27	Interest expenses	<b>28,340,588</b>	<b>3,550,939</b>
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#### Other Income

Interest on FDR investment	51,050,039	38,831,009
Interest on STD accounts	4,669,160	6,684,447
Income from sale of scrap	5,249,398	8,611,058
Income from insurance claim	263,648	-
Income from Sale of Property, Plant & Equipment	312,058	329,104
Miscellaneous	-	2,991,873
	<b>61,544,303</b>	<b>57,447,491</b>



## 28 Related party transactions

The Company has carrying out a good number of transactions with it's parent entity, Social Marketing Company (SMC) at arm's length in normal course of business that fall within the definition of related parties as per International Accounting Standard (IAS) - 24 "Related Party Disclosures". SMC Enterprise Limited has the following transactions with SMC:

S. L No.	Transactions Type	Received during the year	Payment during the year	Other transactions during the year
1	Sales proceed of SMC's product (Inter-company sales)	-	330,295,081	6,649
2	Received for Vermicid & MoniMix sales	49,815,632		
3	Reimbursement of TBA/NGO Meet	-		
4	Packaging Expenses (Somaject)	1,240,592		-
5	Reimbursement of MoniMix Bonus	2,606,850		-
6	Expenses incurred for common services		85,261,692	-
7	Office rent		61,246,596	-

## 29 Capital Expenditure Commitment

There is no other capital expenditure commitment or contract except Vendor's Agreement as on 30 June 2022.

## 30 Payments in foreign currency

Amount in FCY	
2021-2022	2020-2021

Import of machineries

USD	2,044,896	4,330,720
EURO	172,804	25,095
GBP	-	430

Import of raw materials

USD	23,389,185	27,721,709
EURO	95,792	63,146

## 31 Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994:

The company had 1410 permanent employees as at 30 June 2022 and a varying number of seasonal and temporary workers as required. All permanent employees receive remuneration in excess of taka 75,000.00 per annum each.

	2021-2022	2020-2021
Permanent employees	1,410	1,245
Contractual & seasonal employees	181	98

## 32 Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994:

The Directors of the company except Managing Director did not take any benefit from the company other than the board meeting attendance fees.

Managing Director's remuneration and benefit for the year

Amount in BDT.	
2021-2022	2020-2021
Basic Salary	5,350,000
Other benefit	7,271,818
<b>12,621,818</b>	<b>11,030,000</b>



### 33 Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994: Particulars

#### Production (In Pcs)

Installed Capacity (Targeted production)  
Actual Production  
Utilization

1,000,000,000	900,000,000
1,014,600,000	943,740,000
101.46%	98.27%

#### Toll Manufacturing (In Packs)

Production Contract  
Actual Received  
Accomplishment

3,601,686	2,356,001
3,601,686	2,356,001
100%	100%

### 34 Financial risk management

International Financial Reporting Standard IFRS 7: Financial Instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the companies policies for controlling risks and exposures. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the company.

#### 34.1 Credit risk

Credit risk is the risk of a financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables.

In monitoring credit risk, debtors are grouped according to their risk profile i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are mainly related to sales of finished goods. The maximum exposure to credit risk each represented by the carrying amount of each financial assets in the financial statement of financial position.

#### Exposure to credit risk

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Amount in BDT.	
	2021-2022	2020-2021
Accounts receivables	72,181,731	30,873,739
Other receivables	101,499,077	70,795,853
Advance & deposit & prepayments	1,597,539,128	1,087,276,308
Cash and bank balances	734,585,174	685,392,398
	<b>2,505,805,110</b>	<b>1,874,338,298</b>



### 34.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they falls due. The company's approach to manage liquidity (cash and Bank balance) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The following are the contractual maturities of financial liabilities of the company:

#### As at 30 June 2022

	Contractual cash flows (BDT.)	1 year or less	More than 1 year
		BDT.	BDT.
Lease Liability	794,606,383	95,352,766	699,253,617
Security deposits	15,458,308	15,458,308	-
Accounts payable	441,616,451	441,616,451	-
Other payables	1,718,438,399	1,718,438,399	-
Income tax provision	763,616,811	763,616,811	-

#### As at 30 June 2021

	Contractual cash flows (BDT.)	1 year or less	More than 1 year
		BDT.	BDT.
Security deposits	13,186,046	13,186,046	-
Accounts payable	879,122,058	879,122,058	-
Other payables	321,541,931	321,541,931	-
Income tax provision	814,298,828	814,298,828	-

### 34.3 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### a) Currency risk

The company is exposed to currency risk on payment of import of inventory and plant & machineries through letter of credit. All of the company's foreign currency transactions are denominated in USD, JPY, EURO, GBP.

2021-2022	2020-2021
BDT.	BDT.

#### i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

#### Foreign currency denominated assets

Receivable from the Prime Bank against FDR Lien	50,000,000	-
Receivable from the Standard Chartered Bank against FDR Lien	200,000,000	100,000,000
Receivable from the Pubali Bank against FDR Lien	50,000,000	-
Receivable from the Eastern Bank against FDR Lien	50,000,000	50,000,000
Receivable from The City Bank against FDR Lien	150,000,000	50,000,000
	<u>500,000,000</u>	<u>200,000,000</u>
	<u>BDT.</u>	<u>BDT.</u>

The following rate has been applied (as on 30 June 2022):

US Dollar (\$)	93.45	84.91
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The rate of exchange has been applied which was circulated from the Bangladesh Bank in the bank's website as on 30-June 2022.

### Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

30-June-2022		
	Carrying Amount	Fair Value
<b>Financial Assets</b>		
<b>Held to Maturity</b>		
Investment in fixed deposit (short term)	1,511,848,000	1,511,848,000
<b>Loans and receivables</b>		
Accounts receivables	72,181,731	72,181,731
Other Receivables	101,499,077	101,499,077
Advance, deposit and prepayments	1,597,539,128	1,597,539,128
<b>Financial Liabilities</b>		
<b>Liabilities carried at amortized costs</b>		
Security deposits	15,458,308	15,458,308
Accounts payable	441,616,451	441,616,451
Other payable	1,718,438,399	1,718,438,399
30-June-2021		
	Carrying Amount	Fair Value
<b>Financial Assets</b>		
<b>Held to Maturity</b>		
Investment in fixed deposit (short term)	1,149,889,212	1,149,889,212
<b>Loans and receivables</b>		
Accounts receivables	30,873,739	30,873,739
Other Receivables	70,795,853	70,795,853
Advance, deposit and prepayments	1,087,276,308	1,087,276,308
<b>Financial Liabilities</b>		
<b>Liabilities carried at amortized costs</b>		
Security deposits	13,186,046	13,186,046
Accounts payable	879,122,058	879,122,058
Other payable	321,541,931	321,541,931



**SMC Enterprise Limited**  
**Schedule of Property Plant and Equipment**  
**For the year ended June 30, 2022**

Particulars	Cost			Rate	Depreciation			Written down value as on 30.06.2022
	Balance as on 01.07.21	Addition during the period	Adjustments during the period		Charged during the period	Adjustments during the period	Total balance as on 30.06.2022	
Land	681,201,129	50,357,011	-	-	-	-	-	731,558,140
Building	665,074,382	8,478,409	-	2.5 & 5	27,039,120	-	151,860,717	521,692,074
Central warehouse equipment	19,839,694	16,701,400	(4,896,698)	10	2,695,317	(3,797,805)	13,992,506	17,651,890
Deep tubewell	1	-	-	15	-	-	-	1
Diesel reservoir	615,692	-	-	20	85,920	-	567,791	47,901
Fire control system	23,393,662	-	(7,155,575)	20	1,380,532	(7,155,573)	12,499,733	3,738,354
Furniture & fittings	48,884,939	9,974,924	(302,108)	10	5,294,727	(136,825)	19,626,647	38,931,108
Vehicles	108,958,522	2,015,518	(375,276)	20	11,107,045	(237,086)	97,039,813	13,558,951
Lift	15,302,362	4,830,011	(1)	20	2,647,095	-	10,477,578	9,654,793
Office equipment	69,510,037	23,718,114	(2,031,621)	20	15,140,431	(1,376,611)	45,861,969	45,334,561
Other assets	123,242,264	130,000	(8,735,383)	20	13,526,774	(8,211,566)	101,515,824	13,121,057
Plant & machinery	122,218,816	37,000	(17,792,041)	20	13,789,415	(17,364,447)	100,023,088	4,440,688
Power sub station	882,054,660	326,557,445	(20,011,495)	10	105,414,038	(14,233,150)	405,959,906	782,640,705
QC equipment	107,440,070	2,434,550	(32,910,398)	20	8,363,491	(32,834,121)	60,510,773	16,453,449
Renovation & Decoration	48,844,280	8,796,338	(672,455)	10	5,630,598	(394,403)	14,345,673	42,622,489
Central a/c system	127,419,255	2,800,487	-	10	82,288	-	82,288	2,718,199
Water treatment plant	3,635,417	2,214,079	(1,705,151)	20	9,139,635	(1,705,148)	110,946,202	16,981,981
<b>Total</b>	<b>3,047,635,182</b>	<b>459,045,286</b>	<b>(96,588,202)</b>	<b>15</b>	<b>221,699,968</b>	<b>(87,446,735)</b>	<b>1,147,039,579</b>	<b>2,263,052,688</b>
Intangible assets	14,133,757	2,469,316	-		3,102,637	-	9,255,232	7,347,841
Right of use (ROU) assets	412,898,625	257,759,494	-		119,462,663	-	209,290,825	461,367,294
<b>Grand Total</b>	<b>3,474,667,564</b>	<b>719,274,096</b>	<b>(96,588,202)</b>		<b>344,265,267</b>	<b>(87,446,735)</b>	<b>1,365,585,635</b>	<b>2,731,767,823</b>

Amount in BDT.	
30-June-2022	30-June-2021

**Depreciation Allocated to:**

Factory Over head - Note 23.3	177,437,939	158,231,732
Administrative expenses - Note 24	166,892,696	109,766,821
	<b>344,330,635</b>	<b>267,998,553</b>

Depreciation charged during the year is being allocated to factory over head and administrative overhead on the basis of allocation where the assets are used.



**SMC Enterprise Limited**  
**Schedule of Inventories**  
**As at 30 June 2022**

(Amount in BDT.)

Sl. No.	Particulars	30- June-2022	30- June-2021
1	POP Materials	21,623,567	10,682,307
2	Packaging Materials	269,432,587	181,997,928
3	Generator Fuel	2,213,307	1,603,657
4	Spares parts	46,752,088	37,799,657
	<b>Raw Materials:</b>		
5	Raw Material Stock at factory-FMD	76,381,477	33,750,683
6	Raw Material Stock at factory-Health & Hygiene	494,361,877	157,369,480
7	Raw Material Stock at factory-Pharma	80,571,084	70,291,169
8	Raw Material Stock at factory-Monimix	6,841,580	5,469,504
9	Raw Material Stock at factory-Vermicid	9,174,034	-
10	Raw Material Stock at factory-Orsaline	163,562,652	26,206,093
	<b>Total Raw Materials (RM):</b>	<b>830,892,703</b>	<b>293,086,929</b>
	<b>Total RM &amp; Other items</b>	<b>1,170,914,252</b>	<b>525,170,478</b>
	<b>Work in process</b>	<b>29,292,032</b>	<b>13,551,676</b>
	<b>Finished Product Stock:</b>		
	<b>ORSaline</b>		
	ORS-N-Outsourced	932	140,007,755
	ORS-N- Own production	63,274,949	126,326,795
	<b>Total ORSaline</b>	<b>63,275,881</b>	<b>266,334,551</b>
	<b>Condoms</b>		
1	Panther condom	59,119,992	67,530,704
2	Sensation classic	8,227,256	23,523,784
3	Sensation-SD	10,297,938	20,190,446
4	Sensation-Coffee	22,438,060	11,414,435
5	Hero	11,371,293	19,733,747
6	U & me-Anatomic	6,758,608	4,384,918
7	U & me- Long Love	14,690,878	30,180,530
8	U & me-Colour	-	3,643
9	Xtreme ultra thin	9,150,051	2,603,659
10	Xtreme 3 in 1	8,770,174	11,122,897
11	Amore black	1,771,403	2,648,921
12	Amore gold	6,339,718	8,085,696
13	Raja	14,405,791	13,101,276
	<b>Total Condoms</b>	<b>173,341,162</b>	<b>214,524,654</b>
	<b>Pills</b>		
1	Minicon	14,567,942	11,181,381
2	Noret-28	16,521,492	20,433,022
3	Ovacon gold	723,834	1,882,078
4	Mypill	2,896,438	4,891,761
5	Femipill	24,892,282	25,849,304
6	SmartPill	3,390,170	1,122,239
7	Norix	16,896,509	18,494,310
8	Femicon pill	117,904,825	83,934,213
	<b>Total Pills</b>	<b>197,793,492</b>	<b>167,788,309</b>
	<b>Health &amp; Hygiene Products</b>		
1	Joya-8	29,451,999	20,277,967
2	Joya-5	8,771,787	14,145,819



Sl. No.	Particulars	30- June-2022	30- June-2021
3	Joya-15	12,367,472	-
4	Joya-wings	22,539,697	47,840,731
5	Joya ultra comfort	3,270,224	2,197,898
6	Joya All Night	5,004,372	5,550,379
7	Joya Extra Heavy Flow	9,628,589	7,451,355
8	Smile Baby Wipes 80s	1,275,496	1,476,344
9	Smile Baby Wipes 2's	1,102,398	225,450
10	Smile Pants Small	4,517,766	11,673,673
11	Smile Pants Medium	5,123,039	25,633,123
12	Smile Pants Large	12,539,406	15,361,877
13	Smile Pants XL	17,777,659	7,771,622
14	Smile Pants XXL	11,917,086	3,265,549
15	Smile M 5s mini	17,896,191	17,789,010
16	Smile S 5s mini	16,829,741	19,944,898
17	Smile xl 4s mini	15,193,229	8,945,958
18	Smile L 4s mini	16,748,502	14,180,694
19	Smile L 24s	11,944,600	2,983,231
20	Smile M 26s	10,720,625	3,814,684
21	Smile S 28s	9,030,249	4,584,979
22	Smile XL 22s	7,441,853	1,728,740
23	Smile XXL 20s	477,923	1,564,766
	<b>Total Health &amp; Hygiene Products</b>	<b>251,569,902</b>	<b>238,408,745</b>
	<b>Consumer Products</b>		
1	Bolt 200gm	12,956,600	22,771,637
2	Bolt 25gm	9,497,700	19,675,893
3	Bolt 400gm	16,641,232	19,502,127
4	SMC Fruity (Orange 10gm)	32,853,590	-
5	Taste me (lychee 200 gm)	108,647	320,386
6	Taste me (lychee 25 gm)	23,346	49,711
7	Taste me (mango 25 gm)	13,747,493	851,453
8	Taste me (orange 25 gm)	31,072,857	12,543,939
9	Taste me (mango 200 gm)	29,787,492	3,239,746
10	Taste me (orange 200 gm)	26,089,212	17,232,875
11	Taste me 1000gm Jar	3,081,785	-
12	Taste me (pomegranate 25 gm)	918	1,444
13	Super Kid 15gm Badam Chocolate	5,146,053	3,458,955
14	Super Kid 15gm Dudh Malai	4,329,036	2,454,422
15	SMC Honey 100ml	746,243	-
16	SMC Honey 250ml	250,844	-
17	SMC Plus Lemon 250ml	561,098	1,216,096
18	SMC Plus Orange 250ml	510,068	1,739,030
	<b>Total Consumer Products</b>	<b>187,404,213</b>	<b>105,057,715</b>
	<b>Germ Kill &amp; Petroleum items</b>		
1	Germ Kill 50ml container	750,097	1,382,720
2	Germ Kill 50ml tube	240,602	653,962
3	Germ Kill 100ml tube	2,108,326	4,096,614
4	Germ Kill 200ml tube	6,708,710	13,921,492
5	Germ Kill Hand Wash 180ml Spout	671,302	909,279
6	Germ Kill Hand Wash 60ml tube	899,613	1,021,301
7	Germ Kill Hand Wash 3ml Sachet	55,955	76,831
8	Germ Kill Hand Wash 180ml Refill (Old)	14,582	17,146
9	Germ Kill Hand Wash 180ml Refill	5,563,242	8,670,181



Sl. No.	Particulars	30- June-2022	30- June-2021
10	SMC Petroleum Jelly 15 ml	3,972,334	686,823
11	SMC Petroleum Jelly 50 ml	10,821,473	451,950
	<b>Total Germ Kill &amp; petroleum Jelly items</b>	<b>31,806,235</b>	<b>31,888,297</b>
	<b><i>Drinking Water</i></b>		
1	SMC Drinking Water - 500ml	89,360	1,779,517
2	SMC Drinking Water - 2000ml	168,706	443,645
	<b>Total Drinking water</b>	<b>258,066</b>	<b>2,223,162</b>
	<b><i>Pharma Products</i></b>		
1	Narvid Capsule-50 mg	-	122,522
2	Narvid Capsule-75 mg	9,248	203,993
3	Vomidyl Tablet	789,669	310,605
4	Flexidol Tablet~100mg	2,225,940	2,204,322
5	Actifast Tablet~10mg	1,199,748	876,682
6	Dolwin Tablet~500mg	983,437	1,198,488
7	Ezepain 90 Tablet	1,847,327	683,829
8	Ezepain 120 Tablet	988,659	954,137
9	Paragesic Tablet~500mg	-	734,661
10	Paragesic-C Tablet~500mg & 65mg	881,945	1,163,271
11	Aziday-500 mg Tab	31,637,474	19,074,959
12	Aziday PFS 20 ml	2,131,466	1,099,233
13	Aziday PFS 35 ml	3,078,540	1,610,900
14	Cefimax 200 Cap	2,340,207	5,306,689
15	Cefimax PFS 50 ml	2,874,363	1,947,133
16	Ciprodyd Tablet-500 mg	1,681,944	795,410
17	Ceframax 500 Capsule	2,222,532	3,100,112
18	Fenox Tablet~120mg	5,175,891	2,115,489
19	Zifday Capsule	366,455	-
20	Esomium 20 Capsule~20mg	3,923,215	3,695,735
21	Esomium 40 Capsule	2,045,161	726,150
22	Prazomax 20 Capsule~20mg	6,958,530	7,717,926
23	Prazomax 40 Capsule	1,182,764	790,692
24	Pantoprox Tab	211	297,015
25	Kofmelt Syrup	2,873,746	1,588,191
26	Spadyl Tablet	802,456	767,781
27	Moticare 10mg	1,975,654	974,687
28	Forbon Tablet~500mg	1,125,701	814,514
29	SMC Zinc Syrup	3,223,585	1,630,769
30	Ezevent 10 Tablet~10mg	2,177,475	1,848,933
31	Secoxim Tablet 500 mg	1,270,583	-
32	Seacoral DX Tablet	925,476	373,234
33	Neoclav 500 Tablet	1,807,859	1,032,893
34	Neoclav 250 Tablet	1,377,223	1,497,376
35	Seacoral D Tablet	3,560,055	4,230,327
36	Secoxim 250 Tablet	1,426,956	-
37	Nurowel Tablet	1,296,827	2,629,057
38	MoniMix 1gm (Micronutrient Powder)	499,873	1,430,049
	<b>Total Pharma Products</b>	<b>98,888,198</b>	<b>75,547,762</b>
	<b>Total Finished Product Stock</b>	<b>1,004,337,150</b>	<b>1,101,773,195</b>
	<b>Total Inventories</b>	<b>2,204,543,435</b>	<b>1,640,495,349</b>



**SMC Enterprise Limited**  
**Schedule of Accounts Payable**  
**As at 30 June 2022**

(Amount in BDT.)

Sl. No.	Particulars	30- June-2022	30- June-2021
1	Dymon Science & Chemicals Ltd	298,500	-
2	Otobi Ltd	37,600	40,640
3	Social Marketing Company	51,732,339	76,027,382
4	Renata Limited	61,017,999	257,552,518
5	Pragati Insurance Limited	2,276,979	2,660,685
6	Alpine Fresh Water System Ltd	17,280	5,600
7	M/s. Alim Packaging Printing & Accessori	888,600	4,358,112
8	Star Seven Printing & Packaging Ltd.	497,722	3,424,892
9	Printing Mart Ltd.	6,345,323	3,255,660
10	Unity Through Population Service (UTPS)	1,110,737	584,747
11	ACI LTD	154,924	82,080
12	Bitopi Advertising Ltd.	466,096	2,575,905
13	Fully Furnished Ltd.	48,050	437,424
14	Popular Pharmaceuticals Ltd.	62,534,705	175,688,639
15	Genteel Engineering Company Ltd	507,500	-
16	Thakral Information Systems Pvt. Ltd.	159,000	-
17	Flora Limited	35,380	40,000
18	Cross World Ltd.	112,875	11,000
19	Adway Publicity	4,925,112	5,434,785
20	Ashraf Printing & Packaging	545,079	5,724,252
21	Bdjobs.com. Ltd.	121,500	436,425
22	Chem Pure Bangladesh Ltd.	3,450	516,493
23	Bay Engineering & AC Equipment	280,000	-
24	Essential Drugs Company Ltd	2,594,236	1,946,484
25	Rashid Filling Station	166,400	157,885
26	Royal Filling Station	116,587	145,030
27	R.R. Enterprise	447,802	424,476
28	Mukti Printing	478,482	-
29	Bengal Media Corporation Ltd .	5,394,651	5,627,334
30	Mark Asia Limited	668,365	288,100
31	S.A. International	106,834	79,534
32	Brenntag Bangladesh Ltd	34,500	486,022
33	Bright International	4,870,800	-
34	Leo Positive	6,085	6,085
35	International Office Machines Ltd	542,875	25,612
36	Hoque Trade International	4,192,000	340,000
37	Grey Advertising Bangladesh Ltd.	2,714,870	878,953
38	Pharmapack Engineering	80,000	-
39	M/S. Rahman Traders	11,469	11,469
40	Metlife Alico	23,174	23,174
41	Maritime Entrepreneurs Pte Ltd	87,400	59,540
42	Global Capsules Ltd	209,300	1,883,700
43	Jenphar Bangladesh Limited	11,871,078	6,586,511
44	Packstone Limited	270,602	143,245
45	ZK Foils Limited	271,343	480,755
46	Asiatic Marketing Communications Ltd	333,023	4,561,056



Sl. No.	Particulars	30- June-2022	30- June-2021
47	K. M. HASAN & CO.	172,500	69,000
48	Local Supplier	103,518	204,567
49	Aziz & Company Ltd.	117,720	60,000
50	AERP Software Limited	43,299	44,100
51	The Merchants Ltd.	2,656,246	10,150,222
52	SGS Bangladesh Limited	283,204	7,000
53	Fortune Scientific Company	23,350	367,000
54	Diku International Limited	2,276,234	213,000
55	Anyadin	46,000	-
56	Brandzeal Consultancy Ltd.	57,500	282,609
57	Bashundhara Printing Zone	4,829,890	1,424,300
58	M/S Nuha Enterprise	487,812	814,153
59	Mediastar Limited.	546,250	-
60	Ancient Steamship Company Limited	1,009,000	2,154,623
61	Padma Trading Corporation	1,365,441	1,700,360
62	M/S. Moral Enterprise	418,513	37,355
63	Octopi Communications Ltd	2,383,253	1,758,599
64	Quality Printing & Packaging	2,406,910	4,569,070
65	M/S. Sonali Enterprise	665,804	4,233,193
66	Samrat Industries	373,500	206,172
67	AJ Overseas Company Ltd.	43,732	4,950
68	Al-Noor Scientific Co.	4,200	-
69	SINDABAD.COM LTD.	238,094	-
70	AB Chemical & Perfumeries	15,588	22,575
71	Buildtrade Foils Ltd.	759,118	759,118
72	The Glory International	3,270	6,513
73	BBS Cables Ltd.	57,921	-
74	Enovak Industrial Solver	36,921	36,921
75	Bangladesh Trustful Firefighting	269,000	-
76	Zakia Enterprise	78,857	49,294
77	Elite Security Services Ltd.	1,125,776	2,083,255
78	RFL ELECTRONICS LIMITED	3,449,451	53,316
79	Emkay Enterprises Limited	90,000	150,500
80	Bismillah Plastics	480,000	191,750
81	The ACME Laboratories Ltd.	29,119,788	27,212,632
82	Key On Machinery Stores	52,070	-
83	Manikgonj Printers & Packaging	9,058,260	12,506,502
84	Badal and Company	-	9,810,453
85	Moitry Plastic Industries Ltd.	60,375	-
86	Energypac Electronics Ltd.	32,000	-
87	James International	2,087,386	2,425,429
88	Barind Media Ltd.	719,440	1,177,140
89	Somoy Media Limited.	1,028,480	3,281,669
90	Multi Media Production Co. Ltd.	3,029,388	1,518,383
91	Shamprotik	57,500	241,500
92	The Pirojpur Printing & Packaging	5,122,164	4,328,470
93	Maasranga Communications Ltd.	230,000	506,000
94	Mediaworld Limited.	75,000	-
95	SMC Niltara Clinic	323,550	100,720
96	Nusrat Faria	3,194,446	-
97	Gaanchill Media Limited.	310,500	-
98	V. M. International Ltd.	643,609	-



Sl. No.	Particulars	30- June-2022	30- June-2021
99	Boishakhi Media Limited.	2,086,292	-
100	Shamol Bangla Media Ltd.	1,725,000	2,515,434
101	The Daily Kalerkantha	51,750	-
102	International Television Channel Ltd.	781,999	860,199
103	Gren Automation Solution	96,272	84,168
104	Axis Corporation	25,200	25,200
105	IFAD MULTI PRODUCTS LTD.	3,310,884	8,478,733
106	Kazi Media limited.	1,442,100	2,478,105
107	ATV Limited.	2,936,872	810,137
108	Md. Fazlur Rahman Khan	10,000	25,150
109	Beximco Pharmaceuticals Ltd.	6,154,373	13,109,902
110	SOURCE TRADE INTERNATIONAL	215,539	-
111	Rangpur Metal Industries Limited	104,270	74,000
112	ATN NEWS LIMITED	525,263	-
113	Rashid Enterprise	285,128	-
114	Idea Communication	448,500	-
115	Mayer Doa Enterprise	6,326,966	1,337,469
116	Smart Technologies (BD) Ltd.	198,000	875,092
117	Digital Bridge	49,280	43,950
118	Trans Asia Industries Ltd.	2,350,000	-
119	A.H.KHAN & CO.	29,347,356	34,190,181
120	WebAble Bangladesh Limited	687,295	947,942
121	Bijoy TV Limited.	134,358	-
122	Jadoo Media Ltd.	136,850	-
123	Strategic Transformation Consultants Ltd.	284,963	-
124	F.M. Science Center	406,070	205,150
125	AANT Cosmetics Limited	70,422	70,421
126	Arena Phone BD. Ltd.	305,000	189,000
127	Allied Graphic	126,500	-
128	Dhaka Bangla Media & Communication Ltd.	248,586	-
129	Corporate Projukti Ltd	200,060	-
130	Care Nutrition Limited	9,150,726	-
131	Advantis Intasl Bangladesh (Pvt) Ltd.	2,735,278	949,323
132	Zakir Ahmed	80,100	-
133	Green Dot Limited	7,768	-
134	Rangs Electronics Limited	1,232,975	-
135	Meghna Traders	13,975	-
136	Impress Telefilm Limited	448,500	759,000
137	Grameenphone Ltd.	10,130	7,865
138	Klystron Automation Co. Ltd	482,828	-
139	Global Brand Pvt. Ltd.	398,350	300,070
140	GM Packaging & Prinitng Ltd.	933,995	-
141	Ingenious Resources	52,786	2,936,925
142	Netplanet Information System Ltd	8,505	-
143	Shaoon Enterprise	358,516	-
144	Ekattor Media Limited	147,200	-
145	Nur Packaging	44,000	-
146	Topstar Cargo Systems Ltd.	1,499,915	-
147	Concepto Advertising	632,500	-
148	The ACME Agrovat and Beverages Limited	6,433,778	13,140,250
149	Computer Ease Limited	110,250	110,250
150	NUVISTA PHARMA LIMITED	91,545	-



Sl. No.	Particulars	30- June-2022	30- June-2021
151	Padma Blowing Ltd.	457,125	-
152	Master Simex Paper Limited	87,500	39,900
153	Chowdhury Printers Limited	39,560	-
154	NI MAKKA MADINA ENTERPRISE	46,462	771,788
155	N9ine Consultancy	6,107,777	-
156	Monsur Biri Factory (P) Ltd	96,853	55,200
157	Shajinaz Exim Pack Ltd.	1,290,861	158,438
158	Banga Flavour Fragrance (Pvt.) Ltd.	879,998	-
159	Asiatic Aluminium Ltd.	347,749	-
160	ARRA Technologies Limited	202,300	-
161	SEVEN CIRCLE (BANGLADESH) LTD	286,800	-
162	Khan Trading	-	-
163	NDE Ready Mix Concrete Ltd	173,869	-
164	Star Tech & Engineering Ltd.	456,800	-
165	The Mighty Byte Ltd.	159,863	-
166	Creatrix Soft Tech Limited	45,000	-
167	Joy Enterprise	342,768	-
168	Belt Solution	91,680	-
169	Kaas Trade	252,000	-
170	M/S Rahman Traders (WH Rent)	120,750	-
171	MR. NASIR UDDIN AHMED MAZUMDER	243,800	-
172	INCAP	11,500	-
173	United Machinery Bangladesh	22,550	-
174	HRC Technologies Limited	29,642	-
175	MULTITEC ELECTRIC	73,920	-
176	M/S. Meghna Transport Agency	31,200	-
177	MD. ABDUS SALAM	57,500	-
178	Genesis Enterprise	-	-
179	Fast Translation	10,777	-
180	BRAC Learning Center, Rangpur	39,820	-
181	Hotel Castle Soad	41,112	-
182	Ideal Solution Ltd	77,000	-
183	Maa Printing and Packaging	3,524,746	-
184	Sonargaon Hotel	3,839,987	-
185	MN Corporation	56,932	-
186	Best Structural Steel Ltd.	1,064,772	-
187	WAC Logistics Ltd	1,946,418	-
188	Singer Bangladesh Ltd.	8,073,768	-
189	Insight Metrics Limited	1,495,000	-
190	Xeon Technology	239,500	-
191	Germany Computer and Telecom Ltd.	105,450	-
192	A. S & Associates	46,000	-
193	MOJUMDAR INTERNATIONAL	24,000	-
194	The Daily Amader Shomoy	30,000	-
195	Bitopi	524	524
196	Employees' Final Settlement	695,638	465,054
197	Mabs & J Partners	575,000	506,000
198	Nadia Furniture Limited	360	360
199	A1 Pest Specialist Pte Ltd.	-	26,880
200	ABC Engineering	-	69,000
201	ACME Consumer Products Ltd.	-	755,136
202	Acquaint Ad	-	1,560,001



Sl. No.	Particulars	30- June-2022	30- June-2021
203	AIRY INTERNATIONAL	-	3,034,290
204	AKS Khan Pharmaceuticals Ltd.	-	325,000
205	Al-Arafah Belt House	-	27,970
206	AllyTech Corporation Ltd.	-	252,000
207	Amin Engineering Works	-	94,150
208	Arbab Pack Limited	-	3,328,884
209	Aristo Accessories Industries	-	305,000
210	Asia Plastic Container Ind.	-	404,494
211	Bangladesh - Japan Training Institute	-	12,500
212	Barotopa Printers Limited	-	2,270,443
213	Base Technologies Ltd.	-	1,904,164
214	Bearing Betan	-	305,500
215	Bengal FlexiPak Ltd	-	12,571,701
216	Bengal Polymer Wares Ltd.	-	390,000
217	Best Impex	-	137,500
218	Bijoy Media & Printing	-	245,606
219	Bikrampur Trade Corporation	-	151,340
220	Bikroy.com Limited.	-	310,500
221	Bizmotion Limited	-	400,000
222	Bud-O- Leaves	-	25,200
223	Charulata Printing Press	-	1,122,980
224	Choice Enterprise	-	541,950
225	Confidence Trade Limited	-	1,339,541
226	Echo Enterprise	-	875,000
227	Enovak Import & Export Solver	-	14,500
228	ESKAYEF PHARMACEUTICALS LIMITED.	-	1,022,350
229	F. M. Traders	-	1,375,500
230	Geeky Social Limited	-	370,781
231	Gift Gallery	-	67,500
232	Glide Printing & Packaging Ind. Ltd.	-	1,036,416
233	GLOBAL FREIGHT LTD.	-	2,176,252
234	Halda Valley Food & Beverage Ltd.	-	205,130
235	Hamko Corporation Ltd.	2,820,000	40,000
236	Heesham International	-	325,290
237	High Source Electronics	-	6,500
238	High Tech Construction	-	168,000
239	ICEL Private Limited	-	4,958,648
240	Inex Technology	-	85,800
241	Inkman Printing & Packaging Ltd.	-	1,085,000
242	International Brands Ltd	-	758,160
243	International Travel Corporation Ltd.	-	26,996
244	INVOID ARCHITECTS	-	269,100
245	Jahid Engineering	-	261,270
246	Kalyar Replica Limited	-	394,864
247	LafargeHolcim Bangladesh Limited	-	498,000
248	LEOPRO	-	125,000
249	Limon Auto Mobiles & Engineering Works	-	51,900
250	M/s ACNABIN	-	183,853
251	M/s Reliance Enterprise	-	215,945
252	M/S. Chowdhury Transport Agency	-	147,630
253	M/S. Madina Chemical	-	3,390,000
254	Mahtab Flexible Printing Press	-	1,181,726



Sl. No.	Particulars	30- June-2022	30- June-2021
255	Marn Steel Structure Ltd.	-	228,076
256	Mashann Corporation	-	5,508,501
257	Master Communications	-	3,220,000
258	Medi Graphic Trading Ltd.	-	294,525
259	Meeka Fine Chemicals Corporation	-	20,125
260	MN SERVICES INTERNATIONAL	-	37,396
261	Mobile Mela	-	35,869
262	Modern Office Equipments	-	195,000
263	Mr. Mohammad Saif Noman Khan	-	734,722
264	Multi Automation	-	60,500
265	Multi Product Engineering Limited	-	66,000
266	NEO CRAFT	-	429,999
267	New Al-Arafah Mill Store	-	52,040
268	Nissho Koeki Tissue Papers Co.Ltd	-	128,100
269	Optimus	-	299,280
270	Pharmachem	-	1,250,000
271	Print Age Limited	-	366,160
272	Print Media	719,170	1,026,648
273	Quality Services Bangladesh	-	220,913
274	Rahimafrooz Energy Services Ltd	-	51,000
275	Rajanigandha Printing Box Ind.	-	411,075
276	Rancon Motor Bikes Ltd.	-	95,000
277	Remo Chemicals Ltd. BD	-	69,000
278	RFL PLASTICS LTD.	-	60,800
279	RL Accessories	-	235,963
280	Romania Food and Beverage Ltd.	-	234,000
281	Royal Machinery Corp. Ltd.	-	20,833
282	RSK Marketing Limited	-	84,000
283	S.M INTERNATIONAL	-	33,826
284	S.R. Plastic Industries	-	1,177,810
285	Sajeeb Corporation	-	898,500
286	SARAH Printing and Packaging	-	373,425
287	Sarr Associates	-	21,000
288	Sciencetech Corporation	-	990,000
289	Scorpion Services	-	8,458
290	Shakib Al Hasan	-	6,440,000
291	Shamsuddin Mia & Associates Ltd.	-	33,600,356
292	Shohoj Limited	-	891,150
293	Sristy Printers	-	2,691,880
294	The Daily Bangladesh Pratidin	-	345,000
295	Top of Mind	-	8,866,500
296	W&W Company Ltd.	-	1,494,552
297	Walton Plaza	6,619,432	7,715,470
298	ZK Plastic Ltd	-	356,371
299	ZN Network	-	257,600
<b>Total:</b>		<b>441,616,451</b>	<b>879,122,056</b>



**SMC Enterprise Limited**  
**Itemwise details of Gross Revenue**  
**For the year ended 30 June 2022**

Brand name (Unit)	Quantity	Average selling price per unit	Amount in BDT.	
			2021-2022	2020-2021
HERO (Pcs)	27,798,051	2.5	69,021,264	61,254,325
Amore (Pcs)	877,767	21.7	19,007,540	21,487,462
Panther (Pcs)	75,652,739	3.4	260,157,408	268,104,676
Sensation (Pcs)	30,462,538	5.2	158,917,010	164,688,727
U & ME (Pcs)	13,738,824	8.3	114,204,557	112,229,411
Extreme (Pcs)	2,712,306	16.2	44,015,265	48,019,455
RAJA (Pcs)	12,491,550	1.9	23,193,174	24,989,642
<b>Sub-Total (Condom)</b>			<b>688,516,218</b>	<b>700,773,698</b>
Femicon (Cyc)	29,040,778	28.5	826,532,584	928,935,818
Norix (Cyc)	3,573,558	42.5	151,718,212	108,675,242
Noret-28 (Cyc)	3,657,865	20.0	73,139,873	79,752,288
Femipill (Cyc)	10,360,328	14.1	145,848,424	162,219,091
Mypill (Cyc)	33,226	76.5	2,540,632	1,986,261
Minicon (Cyc)	2,975,477	32.2	95,889,623	114,019,120
Smartpill (Cyc)	1,414	325.1	459,640	4,254,280
Ovacon Gold (Cyc)	54,219	51.4	2,789,498	3,595,182
<b>Sub-Total (Pill)</b>			<b>1,298,918,486</b>	<b>1,403,437,281</b>
Orsaline-N (Sachet)	1,412,460,916	4.1	5,858,481,152	5,623,100,807
SMC Fruity (Sachet)	51,329,952	4.5	230,433,061	-
Baby Diaper-all variants	3,467,802	133.2	461,939,995	231,156,630
Baby Wipes-all variants	38,945	100.0	3,893,100	-
Taste Me-all variants	72,828,176	10.0	730,324,474	407,624,454
Germ Kill (Hand Sanitizer)	198,606	60.7	12,047,478	25,082,680
Bolt-all variants	11,381,859	12.0	136,282,414	128,263,591
SMC Petroleum Jelly-all variants	808,891	20.2	16,349,182	1,513,187
Super Kid-all variants	1,888,426	7.7	14,488,188	13,325,400
SMC Honey-all variants	25,058	99.5	2,493,488	-
SMC Plus (Electrolyte Drink)	18,867,611	18.9	356,418,518	51,827,180
SMC Drinking Water-all variants	1,311,850	11.5	15,081,795	22,152,379
Joya (Pack)-all variants	30,310,761	45.9	1,391,660,376	1,140,766,939
Vermicid Tablet	6,459,200	2.7	17,439,840	22,038,840
MoniMix 1 mg (Sachet)	28,636,080	1.7	49,677,368	65,104,719
<b>Sub-Total (Consumer)</b>			<b>9,297,010,431</b>	<b>7,731,956,807</b>
Actifast Tablet~10mg	62,107	262.9	16,328,426	16,261,891
Aziday 20 ml PFS	81,144	69.7	5,651,998	4,823,419
Aziday 35 ml PFS	128,779	108.9	14,027,012	10,153,928
Aziday 500mg tablet	427,045	260.5	111,257,711	84,502,431
Cefimax 200mg Capsule	131,092	315.1	41,307,161	34,778,347
Cefimax 50 ml PFS	157,571	152.7	24,061,887	18,151,821
Ceframax 500 mg Capsule	51,491	313.9	16,165,376	13,805,540
Ciprody 500 mg Tablet	49,048	315.6	15,481,013	14,765,338
Dolwin Tablet~500mg	43,101	182.9	7,883,867	6,196,252
Esomium 20 Capsule	123,452	368.2	45,451,495	41,513,880



Brand name (Unit)	Quantity	Average selling price per unit	Amount in BDT.	
			2021-2022	2020-2021
Esomium 40 Capsule	77,452	236.0	18,275,535	13,119,653
Ezepain 120 mg Tablet	34,249	209.5	7,175,232	5,881,615
Ezepain 90 mg Tablet	41,277	262.6	10,838,252	10,450,928
Ezevent 10 mg Tablet	180,646	262.2	47,363,138	36,484,206
Fenox Tablet~120mg	151,331	183.3	27,740,527	18,721,635
Flexidol Tablet~100mg	91,978	262.9	24,181,288	20,469,155
Forbon Tablet~500mg	37,547	130.6	4,904,480	5,466,675
Paragesic Tablet~500mg	30,618	70.0	2,142,501	2,503,747
Paragesic-C Tablet~500mg & 65mg	56,487	217.3	12,273,260	6,374,973
Prazomax 20 Capsule	279,962	350.8	98,215,969	89,745,447
Prazomax 40 Capsule	100,640	156.7	15,766,434	11,722,656
SMC Zinc Syrup	336,112	30.4	10,214,111	9,403,547
Kofmelt Syrup	290,291	34.8	10,104,476	6,598,977
Maxivent 400 mg Tablet	-	-	-	56,177
Moticare 10mg	111,624	175.1	19,541,371	18,273,701
Nervaid 50mg Capsule	1,945	261.3	508,218	465,530
Nervaid 75mg Capsule	2,567	313.1	803,614	165,474
Neoclav 250 Tablet	93,950	314.7	29,561,534	23,152,590
Neoclav 500 Tablet	61,221	262.7	16,080,983	11,705,875
Nurowel Tablet	89,644	313.2	28,080,127	25,455,160
Pantoprox 20 mg	43,162	209.5	9,044,384	7,992,979
Seacoral D Tablet	181,219	419.9	76,098,957	63,061,258
Seacoral DX Tablet	77,293	313.7	24,243,768	16,445,174
Zifday Capsule	56,844	182.5	10,371,901	-
Secoxim 250 Tablet	30,392	208.8	6,346,004	-
Secoxim 500 Tablet	15,092	209.3	3,158,943	-
Spadyl Tablet	54,873	217.7	11,943,419	11,201,442
Vomidyl Tablet	30,836	261.4	8,061,956	6,001,910
<b>Sub-Total (Pharma Products)</b>			<b>830,656,328</b>	<b>665,873,331</b>
<b>Grand Total</b>			<b>12,115,101,463</b>	<b>10,502,041,117</b>



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# SOCIAL MARKETING COMPANY

## COMPANY MEMBERS

### ATTENDANCE SLIP

I/We hereby record my/our attendance at the 34<sup>th</sup> Annual General Meeting being held on 23<sup>rd</sup> January, 2023 at 10:30 a.m. at SMC Head Office, 33 Banani C/A, Dhaka-1213.

Name of Company Member(s)-----

-----  
Signature(s) of Company Member(s)

Note:

1. Please note that the AGM can only be attended by the honorable Company Members or properly constituted Proxy who is also the members of the company.
2. Please present this slip at the reception desk.



**SOCIAL MARKETING COMPANY  
SMC ENTERPRISE LTD**

(A SUBSIDIARY OF SOCIAL MARKETING COMPANY)

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SMC Tower, 33 Banani C/A, Road - 17, Dhaka-1213, Bangladesh.

Tel: +88-02222275074-80, Fax: +88-02222275581

**[www.smc-bd.org](http://www.smc-bd.org)**