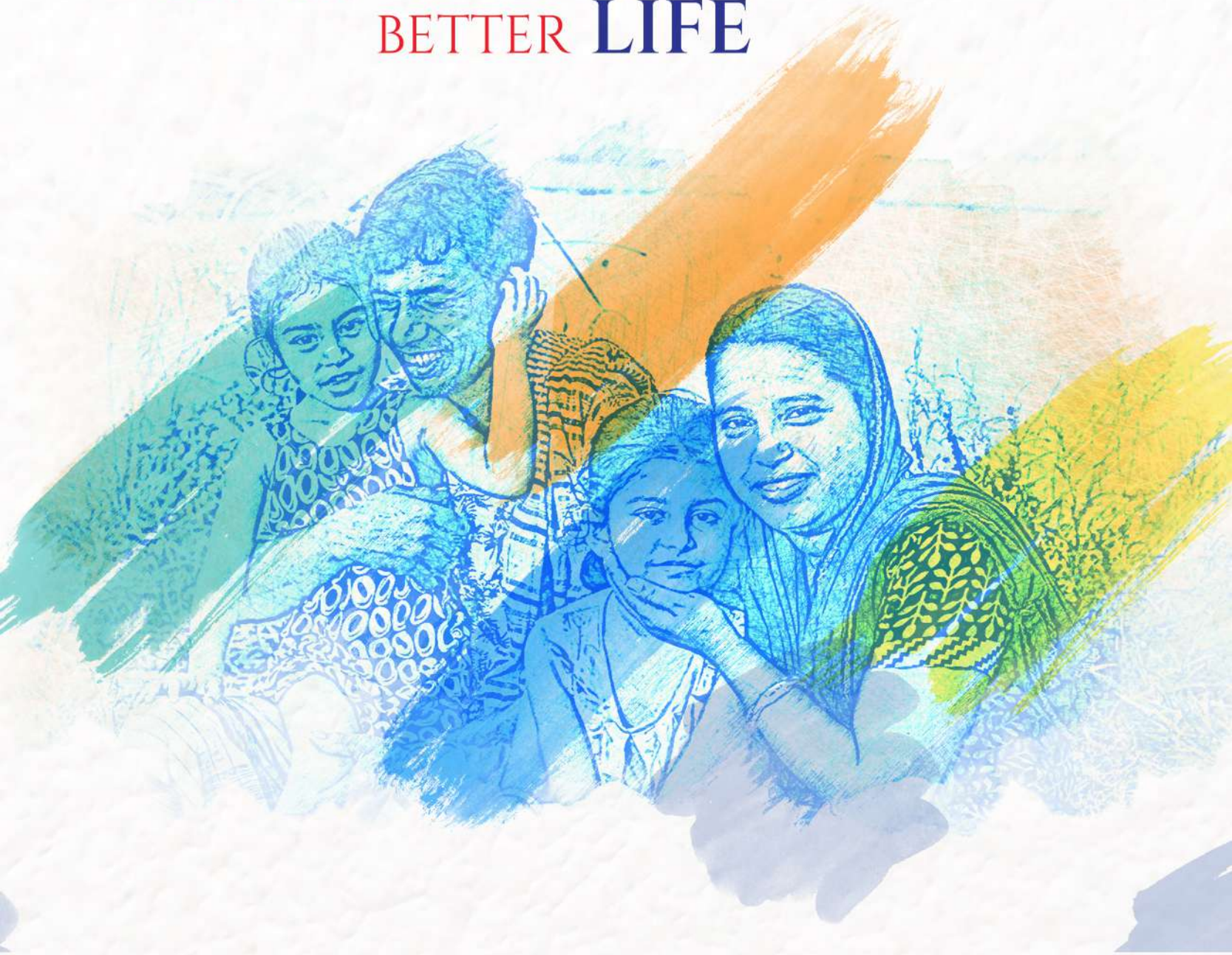


BETTER HEALTH  
BETTER LIFE



SMC



এসএমসি  
উন্নত জীবন

ANNUAL REPORT  
JULY 2022 - JUNE 2023

SOCIAL MARKETING COMPANY

# ANNUAL REPORT

## JULY 2022 - JUNE 2023



SOCIAL MARKETING COMPANY

# VISION, MISSION, CORE VALUES



## 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.



## Mission of SMC:

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 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.



## Philosophy:

Profit must primarily contribute to social betterment.



## 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

## Social Marketing Company (SMC)

### Legal Status

Social Marketing Company (SMC) is a Not-for-profit organization established in April 1990 under Section 26 of the Companies Act, 1913 and registered with the Registrar of Joint Stock Companies and Firms vide registration no. CTO-284(3)/90 dated 19-04-1990. It later fell under the jurisdiction of Section 28 of the Companies Act 1994. In pursuance of Section 28 together with the license from Ministry of Commerce, SMC is registered as a Company with Limited Liability, excluding the word 'limited' in its name and subject to the condition that it applies its profit and other income in promoting its objects and prohibits the payment of any dividend to its member.

### Registered Office:

SMC Tower  
33 Banani Commercial Area, Road-17  
Dhaka-1213, Bangladesh

### Statutory Auditors

#### ACNABIN

#### Chartered Accountants

BDBL Bhaban (Level-13 & 15)  
12 Kawran Bazar Commercial Area  
Dhaka-1215, Bangladesh

### Main Bankers

#### Pubali Bank Limited

Banani Branch

#### Dutch-Bangla Bank Limited

Banani Branch

#### Standard Chartered Bank

Gulshan Branch

## SMC Enterprise Ltd (A fully owned subsidiary of SMC)

### Legal Status

The Company is a wholly owned subsidiary of Social Marketing Company (SMC). SMC Enterprise Ltd ("SMC EL of "the Company"), a private company limited by shares was incorporated in Bangladesh bearing Registration No. C-118753/14, dated October 20, 2014 under the Companies Act, 1994. 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.

### Registered Office:

SMC Tower  
33 Banani Commercial Area, Road-17  
Dhaka-1213, Bangladesh

### Factory Address:

#### ORS FACTORY

Holding No. 5/82 Zamirdia, Hobir Bari,  
P.O.: Seed Store Bazar  
P.S: Bhaluka, Mymensingh

#### HYGIENE PRODUCTS FACTORY

Dhaka Chattogram Old Trunk Road  
85/2 Baubond Sadar Dakshin  
Cumilla-3500

### Statutory Auditors

#### ACNABIN

#### Chartered Accountants

BDBL Bhaban (Level-13 & 15)  
12 Kawran Bazar Commercial Area  
Dhaka-1215, Bangladesh

### Main Bankers

#### Pubali Bank Limited

Banani Branch

#### The City Bank Limited

Gulshan Branch

#### Dutch-Bangla Bank Limited

Banani Branch

# COMPANY INFORMATION

## Social Marketing Company (SMC)

### Brac Bank

Banani Branch

### Uttara Bank Limited

Gulshan Branch

## Tax Consultants

### K.M. Hasan & Co.

87 New Eskaton Road, Dhaka-1000

### M/s. Hadee Lutful & Co.

House # 77 (2nd Floor), Road # 04,  
Block # C, Banani, Dhaka, 1213

## Legal Advisor

### H & H Company

56-57, Motijheel Commercial Area  
Shareef Mansion (2nd Floor)  
Dhaka-1000

## Website

[www.smc-bd.org](http://www.smc-bd.org)

## Social Media Platforms

[www.facebook.com/smconprofit](https://www.facebook.com/smconprofit)  
<https://www.youtube.com/@smcbdvideo>

## LinkedIn

[www.linkedin.com/company/socialmarketingcompany](https://www.linkedin.com/company/socialmarketingcompany)

## SMC Enterprise Ltd (A fully owned subsidiary of SMC)

### Standard Chartered Bank

Gulshan Branch

### Brac Bank

Banani Branch

### Uttara Bank Limited

Gulshan Branch

### First Security Islami Bank Limited

Banani Branch

### Eastern Bank Limited

Gulshan Branch

### UCBL Bank Limited

Gulshan Branch

### Dhaka Bank Limited

Gulshan Branch

### Sonali Bank Limited

Gulshan Branch

### Meghna Bank Limited

Gulshan Branch

## Tax Consultants

### K.M. Hasan & Co.

87 New Eskaton Road, Dhaka-1000

### M/s. Hadee Lutful & Co.

House # 77 (2nd Floor), Road # 04,  
Block # C, Banani, Dhaka, 1213

## Legal Advisor

### H & H Company

56-57, Motijheel Commercial Area  
Shareef Mansion (2nd Floor)  
Dhaka-1000

### Md. Fazlur Rahman Khan

Legal Access, SIAAM Tower  
Level-5, Plot-15, Sector-3  
Uttara, Dhaka

## Website

[www.smc-bd.org](http://www.smc-bd.org)

## Social Media Platforms

<https://www.facebook.com/SMCEnterpriseLimited>  
<https://www.youtube.com/@smcbdvideo>

## LinkedIn

<https://www.linkedin.com/company/smc-el/about/>

৩৯ বছর ধরে  
কোটি মানুষের জীবন বাঁচিয়ে  
ওরস্যালাইন-এন পেলো  
**৫ম বারের মতো**  
সেরা ওরাল স্যালাইন  
ব্র্যান্ড অ্যাওয়ার্ড!



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# TABLE OF CONTENTS

## OVERVIEW

Vision, Mission, Core Values	02
Company Information	03
Abbreviations/Acronyms	08
Overview of Social Marketing Company (SMC)	11
Major Milestones	16
Partners	18
Company Members	20
Board of Directors (SMC & SMC EL)	26
Senior Management Team (SMC & SMC EL)	33

## STRATEGIC OVERVIEW

Notice of the 35 <sup>th</sup> Annual General Meeting of the Social Marketing Company	36
Message from the Chairman	37
Statement of the MD & CEO, SMC	39
Statement of the MD, SMC EL	42
Directors' Report Social Marketing Company	45
পরিচালক মণ্ডলীর প্রতিবেদন সোশ্যাল মার্কেটিং কোম্পানী (এসএমসি)	51
Program Activities	58
The Inspiring Journey of Ms. Amena Khatun: A Pioneer in Women's Entrepreneurship	72
Research Insights	73
Human Resource Management	74

## TRAINING & DEVELOPMENT

Employees Training Program of SMC	77
Training of Star Networks Program - SMC	78
Employees Training Program of SMC EL	79

## RISK & GOVERNANCE

Financial Performance & Trend Analysis	81
Corporate Governance	86
Enhancing Stakeholders Value Through Effective Risk and Compliance Management	90
Organizational Sustainability in Health Management and Family Planning: SMC's Role Vis-A-Vis SDG	92

SMC Enterprise Ltd: Empowering Sustainability Through ESG Commitment	94
Value Added Statement	97
Audit Committee Report	98
Implementation of SAP ERP project	100

## AWARD & RECOGNITION

VAT Award - SMC EL	103
Celebrating Excellence - SMC & SMC EL:	
• Long Service Award	104
• Award of Excellence	104
Recognition of outstanding achievement at national level:	
• Joya Alokito Nari 2023	105
• RTV-SMC MoniMix Award 2022	106
• MoniMix Plus Khude Biggyani Award 2023	107

## ANNUAL EVENTS

SMC EL Annual Sales conference: Elevating Strategies, Amplifying Success	109
Annual Picnic of SMC & SMC EL	110

## AUDITOR'S REPORT & FINANCIAL STATEMENT - SMC

Auditor's Report and Consolidated Financial Statements	111
Auditor's Report and Standalone Financial Statements	143

## SUBSIDIARY COMPANY - SMC EL

Directors' Report - SMC EL	171
Pharma Business	181
Product Development & Brand Communication	184
Human Resource Management- SMC EL	195
Financial Performance & Trend Analysis- SMC EL	197
Auditor's Report and Financial Statements	203

## SUPPLEMENTARY INFORMATION

Notes	254
Attendance Slip	256





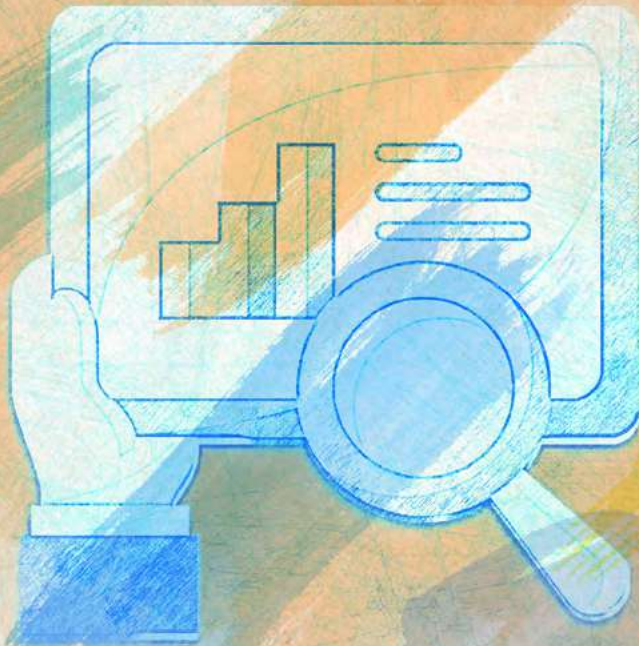
# ABBREVIATIONS / ACRONYMS

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



# OVERVIEW OF SOCIAL MARKETING COMPANY (SMC)

SMC started social marketing program 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, adolescent health & hygiene, tuberculosis, 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.

According to the Bangladesh Demographic and Health Survey (BDHS) 2017-18, SMC has contributed remarkably to increase Contraceptive Prevalence Rate (CPR) at the national level by sharing 47% of pills, 62% of condoms and 33% of injectables. In total, SMC contributed 38% of the modern contraceptive method use nationally. As per the 2022 Contraceptive Social Marketing Statistics released by DKT International, USA, SMC was ranked as the third-largest contraceptive social marketing organization globally in terms of numbers of CYPs delivered.

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 Supplements (MMS), deworming tablets, zinc, food & beverage, health & hygiene and other public health products. SMC operates the biggest ORS manufacturing facility in the country having a market share of around 61% (Nielsen, 2019). Joya sanitary napkin of SMC has quickly become the second most popular brand in the country which is produced in its own manufacturing plant. The most popular low-dose oral contraceptive pill (OCP) 'Femicon' topped the list in the OCP category with its highest number of users. Micronutrient Powder (MNP), of SMC is contributing to reduce iron deficiency anemia among the children under-5 years. Its MMS

is contributing to improve the nutrition status of the pregnant women and fetus to reduce low birth weight (LBW) babies in the country.

In 2014, SMC formed SMC Enterprise Limited (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 40 products in the market.

The annual programmatic expenditure of SMC with own and donor fund was Tk. 145 crore during FY 2022-23. The annual gross turnover of SMC EL was Tk. 1,600 crore. To bring efficiency, most of the field operations and the distribution channels of SMC are kept under SMC EL. During the said period SMC had 2,175 employees (Program had more than 500 and the rest were from SMC EL) in its different categories including head office, field and manufacturing units. In addition, 2,203 work forces were also engaged in the factory and sales operations of SMC EL. Four local partners are working for SMC to implement community mobilization program in 104 upazilas having 370 staff.

## Product Portfolio of SMC

SMC categorizes three types of product portfolios. The products with huge public health importance but still need significant investment and subsidies for behavioral change of the targeted population is considered as program products. While the products which is being marketed commercially is categorized as enterprise products. SMC EL has also introduced Pharma products to ensure quality medicine at an affordable price.

### Product Portfolio of Program Division:

Product Category	Brand Name
Clinical & Injectable Contraceptives	IUD Relax, implant i-plant, injectable SOMA-JECT
Public Health and Nutritional Products	Micronutrient Powder (MNP) MoniMix, MNP MoniMix Plus, Deworming tablet Vermicid, Multiple Micronutrient Supplements FullCare, SMC Zinc, Safe delivery kit, Safety Kit, Paper Soap Easy Clean, Pregnancy test device, Quick Test, Calcium tablet Forbon

## Product Portfolio of SMC Enterprise:

Category	Brands
Contraceptive	Pill: Noret-28, Femicon, Femipil, Minicon, Ovacon Gold, MyPill, SmartPill Regular, SmartPill Lite, Norix, Norix 1, Norix Plus
	Condom: Raja, Hero, Panther, Sensation, U & ME, Xtreme, Amore, Skins
Female Hygiene	Joya Sanitary Napkin
Baby Care	Smile Baby Diaper, Smile Baby Wipe
Beverage	Taste Me, Bolt, SMC Plus, ORSaline-N, SMC Fruity
Food	Super Kid, SMC Honey, SMC Biscuit
Personal Care	SMC Petroleum Jelly, SMC Germ Kill

The Pharma products of SMC EL can be categorized under the following therapeutic class:

Analgesics & Antipyretics, drugs for obstructive airway diseases, Antiemetics & Anti-nauseants, Antihistamined, drugs for functional Gastrointestinal disorders, drugs for Acid related disorders, NSAIDs, Vitamin & Mineral supplements, antibacterial drugs, cough and cold preparations, antimycotics, Parenteral Nutritional Supplement.

### Program operation

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 11,159 private sector non-graduate providers; the Green Star Program – a network of more than 4,928 drug sellers and the Pink Star Program – a

network of 552 graduate providers, mostly Obstetricians and Gynecologists. SMC improves the skills of these private providers through basic and periodic refresher trainings. The most recent network of SMC is Rose Star – a network of 217 Pediatricians to counsel on nutrition and growth monitoring for the children under five years. The Gold Star network is a vibrant platform of more than 3,232 women entrepreneurs at the community level.

SMC is implementing community mobilization program in 104 Upazilas to improve healthy behaviors of community people. Along with rural areas, SMC initiated to implement Gold Star model in the settings to meet the demand of the low-income population. Currently, SMC is implementing Gold Star network program in 7 peri-urban areas under Dhaka, Barishal and Sylhet City Corporation. These networks are branded by SMC to promote and offer quality public health products and services across the country.

## Geographic Coverage of Star Networks of SMC in FY 2022-23:

Program type/ networks	No. of districts covered	No. of Upazilas covered	No. of members
Blue Star	64	495	11,159
Green Star	64	495	4,928
Pink Star	58	-	552
Rose Star	15	-	217
Gold Star (Rural)	39	112	3,048
Gold Star (Urban)	4	7 (Area)	184

Following are some photographs relevant to the Star Networks of SMC:



SMC established two clinics in order to provide quality health care and diagnostic services at an affordable price. Two clinics are located at Dhaka Uddan, Mohammadpur (Niltara Clinic) and Darussalam, Mirpur (SMC Clinic). SMC

is implementing clinic operation to create a sustainable model keeping provision of consultation, diagnostic and model pharmacy affordable to all segment of population.



## Field Operations

SMC has its own extensive sales and distribution network and field-level program operations across the country. It also has strengthened product supply mechanism through local distributors. To maintain the positive growth with a competitive advantage, the Company has increased its presence in the digital marketplace for brand promotion. With a view to maintaining alignment in line with the growth trajectory, SMC invested significantly in the manufacturing and infrastructural development.

Field forces of SMC reached 174,071 pharma outlets and 642,145 non-pharma outlets through its 12 area offices situated in different strategic location across the country.

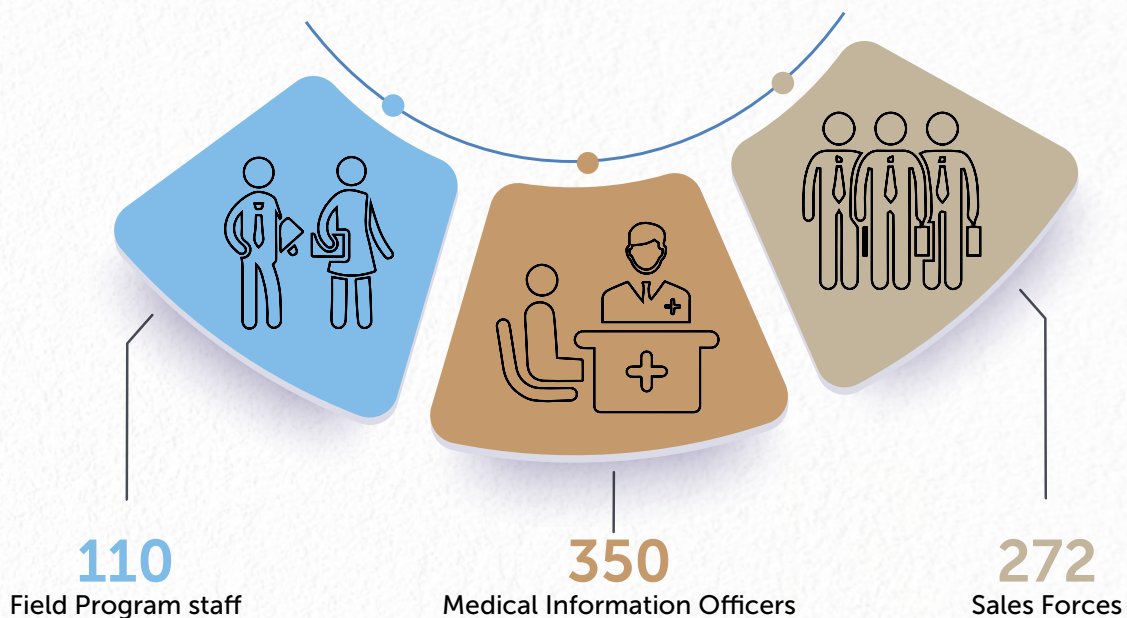
The adolescent health program is one of the flagship programs of SMC to raise awareness of Sexual & Reproductive Health (ASRH) knowledge and skills for

test for sugar, counselling on danger signs including Multiple Micronutrient Supplements and Calcium tablet. Each year SMC is expanding its Community Mobilization Activities in new 8 Upazilas and peri-urban areas for larger impact according to its five years strategic plan.

## Manufacturing Operations

The state-of-the-art Manufacturing facilities (ISO 9001:2015 certified and cGMP compliant) operates round the clock to meet the growing demand to attain higher revenue target. These factories run with high level automation and efficiency lines producing high quality products. The Pharmaceutical plant not only limited to producing ORSaline-N but also engaged in producing Pharmaceutical products and several Consumer products in its Food Manufacturing Division (FMD) in Bhaluka, Mymensingh, Health & Hygiene production

## SMC operates program and sales through 12 area offices with following field forces:



adoption of healthy behaviors among themselves, their families, and peers. Recently, SMC initiated to offer basic pregnancy care services by the Star Network Providers. In addition, SMC recruited paramedics in 104 Upazilas to organized pregnant mother gathering for offering 5 basic pregnancy care services including weight measurement, blood pressure measurement, urine test for albumin, blood

facility in Cumilla, focusing to the essential hygiene needs of the people such as sanitary napkin, baby diaper, wipes & wet tissue. A groundbreaking works of Fast Moving Consumer Goods (FMCG) project started in Bhabanipur, Gazipur, a state-of-the-art manufacturing facility to produce SMC Plus and other products. The commercial production is expected to start in July 2024.

Plant	Location
Pharmaceuticals factory	Bhaluka, Mymensingh
Food Manufacturing facilities	Bhaluka, Mymensingh
Health & Hygiene Factory	Bauband, Cumilla
FMCG Factory (Under construction)	Bhabanipur, Gazipur



Production Floor (ORSaline)



Production Floor (Capsule)



Production Floor (Baby Diaper)



Production Floor (Joya Sanitary Napkin)



Production Floor (Joya Sanitary Napkin)



FMCG (Under progress)

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. SMC continues its onward successful journey by maintaining its role as a major contributor to the Bangladesh national health and family planning program and a significant contributor to the reproductive health, maternal health, adolescent health

& hygiene, tuberculosis, child health and nutritional services across the country. SMC is relentlessly engaging its endeavors and increasing its basket of quality public health products and services, promoting behavior change, raising awareness and creating sustainable social impact for the wellbeing of women, children and families.



# MAJOR MILESTONES

<b>1974</b>	<b>1975</b>	<b>1985</b>	<b>1990</b>	<b>1997</b>
<p>Family Planning Social Marketing Project (FPSMP) established under a tripartite agreement among Population Services International (PSI), GOB and USAID</p>	<p>The distribution of USAID-donated Raja condom and Maya contraceptive pill started through private sector outlets</p>	<p>FPSMP launched Oral Rehydration Salt (ORS) to address high diarrheal deaths due to dehydration</p>	<p>FPSMP became Social Marketing Company (SMC), a private not-for-profit organization under the Companies Act of 1913 with a voluntary Board of directors</p>	<p>SMC became a direct recipient of USAID funds with the departure of PSI</p>

<b>1998</b>	<b>2000</b>	<b>2004</b>	<b>2008</b>	<b>2008</b>
<p>'Blue Star Network' introduced to offer quality public health services for the community people</p>	<p>SMC Tower (the headquarter building of SMC) inaugurated at Banani, Dhaka</p>	<p>ORS manufacturing facility started at Bhaluka, Mymensingh</p>	<p>Central Warehouse inaugurated at Bhaluka, Mymensingh</p>	<p>'SMC Zinc' (the essential micronutrient) launched as an adjunct therapy to ORSaline</p>

<b>2008</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>
<p>'MoniMix' (micronutrient powder) launched to improve nutritional status of children (six months to five years of age)</p>	<p>SMC became fully sustainable recovering more than 100% of non-program related costs</p>	<p>SMC was awarded USAID-funded MIH project through a competitive bidding</p>	<p>'Joya' Sanitary Napkin launched to ensure good hygiene of women during menstruation</p>	<p>'Pink Star Network' formed to provide Long-acting Reversible Contraceptive (LARC) services through graduate doctors</p>

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>
<p>'Gold Star Network' formed to develop women entrepreneurs for creating demand and selling public health products.</p>	<p>SMC Enterprise Ltd formed as a fully-owned for-profit subsidiary company of SMC</p>	<p>Bogura Regional Office and Warehouse inaugurated</p>	<p>The construction of hygiene manufacturing plant in Cumilla started</p>	<p>SMC awarded the Marketing Innovation for Sustainable Health Development (MISHD) project by USAID</p>

**2017**      **2017**      **2017**      **2018**

Manufacturing of hygiene products at the Cumilla plant started

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

Prescription pharmaceutical products launched in its own brand name

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

**2018**      **2019**      **2020**      **2020**

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

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

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

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

**2020**      **2021**      **2021**      **2021**

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

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

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

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

**2022**      **2022**      **2023**      **2023**

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

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

Launched Triforce Injection (Ceftriaxone 500 mg IM, 1 g IM & 1 g IV) indicated for Respiratory Tract Infections, Skin & Soft Tissue Infections, Urinary Tract Infections, Surgical Site Infections, Meningitis, Septicemia, Typhoid Fever, etc.

SMC starts producing Esomium & Prazomax (Anti-Ulcerant), Zifday (Vitamin & Mineral), and Fungicap (Indicating for different types of fungal infection) capsules in Bhaluka Factory.

**2023**      **2023**

Introduced Calcium-enriched "Forbon" tablet to meet the calcium deficiency of children, adolescents and adults of all ages, as well as pregnant and lactating women.

Introduced the first-ever micronutrient-enriched healthy and delicious "SMC Butter Cookies" in Bangladesh.

# PARTNERS



## Our 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



Directorate General of  
Drug Administration (DGDA)

### Development Partners



**USAID**  
আমেরিকার জনস্বাস্থ্যের পক্ষ থেকে



**CHILDREN'S  
INVESTMENT FUND  
FOUNDATION**

### Knowledge and Training Partners



### Implementing Partners



CWFD



SHIMANTIK

### Outsourcing Partners



### Collaborative Partners



OGSB



Global Alliance for  
Improved Nutrition



Surjer Hashi Network (SHN)



KNOWLEDGE FOR  
GLOBAL LIFESAVING SOLUTIONS



# COMPANY MEMBERS



# 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. 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.



**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.



### Mr. Siddiqur 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.



### Mr. A K M Shamsuddin

Chairman and CEO of E-zone Ltd. (a management consulting group); Founding Chairman and current Director of CDBL; Founding Managing Director of SMC; Former Managing Director of Aventis Pharma and Former President of Foreign Investors' Chamber of Commerce & Industry (FICCI).



### Mr. Aftab ul Islam FCA

Chairman, IOE (Bangladesh) Limited; Chairman, Impact PR; Principle Partner, Islam Aftab Kamrul & Co.; Director (Board of Directors) Bangladesh Bank; Independent Director, British American Tobacco Bangladesh; 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. 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.



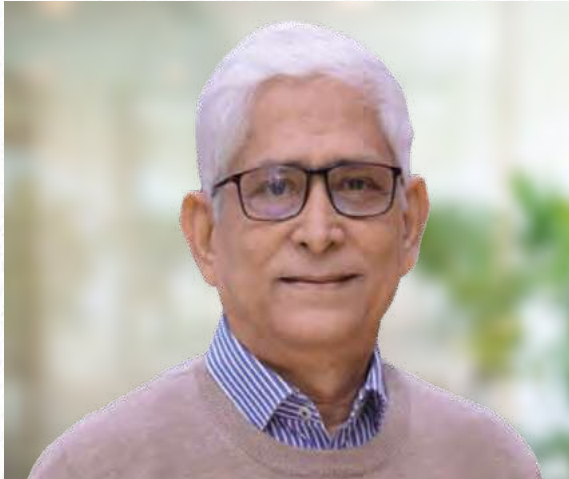
### Ms. Rupali Haque Chowdhury

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



### Dr. Yasmin Hemayet Ahmed

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



### 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) Bangladesh.



### 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., SadharanBima 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.



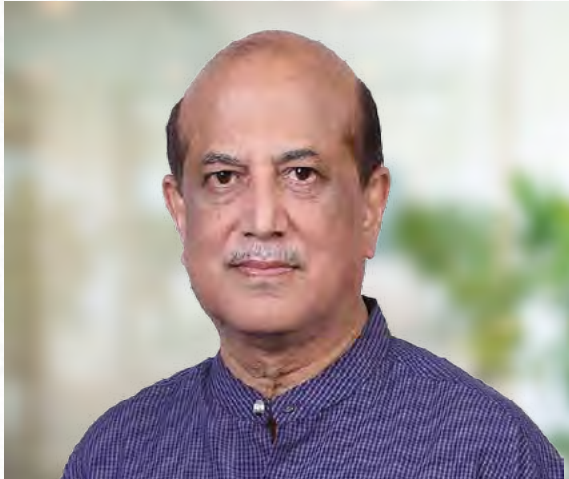
### Mr. Muhammad A. (Rumeel) Ali

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



### 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 Joint Secretary, Finance Division, Ministry of Finance, Govt. of Bangladesh.



### 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); Former Senior Technical Expert & Advisor in Midwifery Department, BRAC University; Former Professor of Obstetrics & Gynecology, Institute of Child and Mother Health (ICMH).





### **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.



### **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.



### **Dr. Salehuddin Ahmed**

Professor, Business School, BRAC University; Part-time Faculty Member, 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.



### **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.



### **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 Non-Government Organization).

# BOARD OF DIRECTORS (SMC & SMC EL)



## Mr. Waliul Islam

Chairman of the Board of Directors of SMC & SMC EL

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 Deputy Commissioner appointed by the Government of Bangladesh and joined Jashore District on December 9, 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 Adviser, 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.



## Mr. Muhammed Ali

Director of 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 funded by USAID 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. Md. Siddique Ullah

Director of 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 earthwhile Construction 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.



### 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. Currently, she is a freelance consultant.



## Mr. Siddiqur Rahman Choudhury

Director of SMC & SMC EL Board

Mr. Siddiqur Rahman Choudhury is a former civil servant who retired in 2007 after serving the Government of Bangladesh for more than thirty years. As civil servant, Mr. Choudhury held many senior positions in the Ministry of Finance and the 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 conferences and seminars including annual meetings of the Board of Governors of the World Bank and 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.



## 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, FWVTI, 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, NIPORT, 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 15 January 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.

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.



### Mr. Aftab ul Islam FCA

Director of 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, FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) for the periods 2005-2010 and 2017-2019.

The honorable Prime Minister nominated Mr. Aftab ul 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 (BAT). He is also the Chairman of Impect PR and Principle Partner of Islam Aftab Kamrul & Co.



### Mr. Faruque Ahmed

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. Formerly, he represented the civil society on the GAVI Alliance, Board.

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



**Mr. Muhammed Farhad Hussain FCA**  
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 as Manager (Accounts, Legal and Personnel) in IPDC as Head of Accounts, Project Monitoring, Legal Divisions, Personnel and HR for six years.

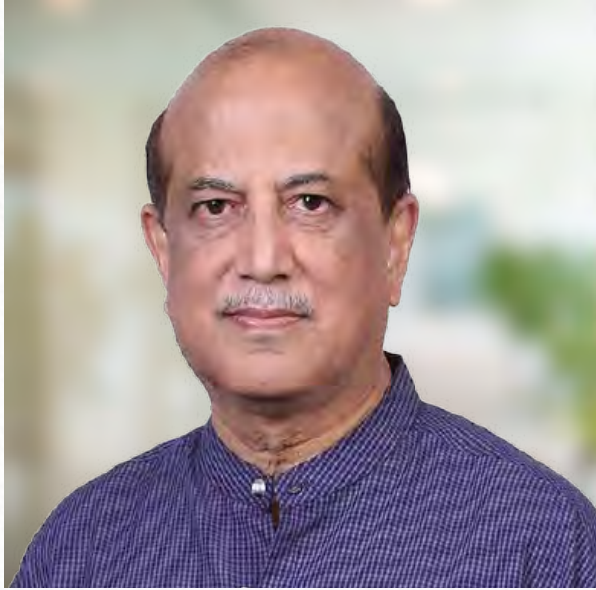
Mr. Hussain is a past president of the Institute of Chartered Accountants of Bangladesh (ICAB) and Former Director of Dhaka Stock Exchange Ltd.; Sadharan Bima Corporation.; Agrani Bank Ltd.; Prime Bank Ltd.; Matin Spinning Mills Ltd.; Al-Haj Textile Mills Ltd.; Walton Hi-tech Industries Ltd.; Dhaka WASA 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 part time teaching experience for 16 years in the Institute of Chartered Accountants of Bangladesh (ICAB) and two years in the Independent University, Bangladesh.



**Professor (Dr.) Farhana Dewan**  
Director of SMC Board

Professor Dr. Farhana Dewan is the Professor & Head, Department of Obstetrics and Gynecology, IBNSina Medical College Hospital. She is also serving as 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 the Author of more than 45 national and five International Publications.



## Professor Ahmed Mushtaque Raza Chowdhury, PhD

Director of SMC Board

Professor Ahmed Mushtaque Raza Chowdhury, PhD, has spent over 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 Adviser 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).



## Mr. Ranjit Kumar Chakraborty

Director of SMC Board

Mr. Ranjit Kumar Chakraborty was Additional Secretary (Budget and Treasury & Debt Management) Finance Division from 2010-2014 and Additional Controller General of Accounts (2002-2003) and Additional Deputy Comptroller and Auditor General of Accounts in 2002. He held many important positions in the domain of public finance. He was uniquely placed at the forefront of public financial management reforms in Bangladesh.

He worked as the Project Director of two flagship reform projects of Finance Division of the Government of Bangladesh namely: Financial Management Reform Program (FMRP) from 2006-2009 and Project Director, DMTBF Project under Strengthening Financial Accountability Project from 2009-2010. He also worked as Director (Finance) of Bangladesh Biman Corporation and was Deputy Economic Adviser, Finance Division, Ministry of Finance. Mr. Chakraborty is also the former Director of Agrani Bank Limited (2006-2012) and Sonali Bank Limited (2012-2015).

After retirement, he has been working as a National Consultant of World Bank - National Consultant- Public Expenditure and Financial Accountability Assessment (PEFA) and UNDP - Democratic Governance Cluster. He is also serving as a DT Global - Training and Coordination Expert for OCAG under Technical Assistance to Support Implementation of the Bangladesh PFM Reform Strategic Plan funded by the European Union.





### Mr. Muhammad A (Rume) Ali

Director of SMC Board

Muhammad A (Rume) Ali is the Chairman of the ICC Bangladesh Banking Commission, Vice Chairman of Bangladesh International Arbitration Centre, Friendship Bangladesh (Not for profit NGO), Member of the Board of Banglalink Digital Communications Ltd, Social Marketing Company and a member of the Board of Trustees of International Centre for Study of BengalArt.

He started his career with ANZ Grindlays Bank (Bangladesh) in 1975 after completing his Masters in Economics from Dhaka University. In 1997, he was the first Bangladeshi to be appointed as the CEO of the Bank's Bangladesh operations. After acquisition of this bank by Standard Chartered Group in 2000, he was selected to be the first CEO of the combined operations of these two banks as Standard Chartered Bank. In November, 2002 he joined Bangladesh Bank as Deputy Governor and was responsible for driving the regulatory reforms in the country's banking sector, especially in the Risk Management and Corporate Governance areas. He, very successfully, worked as a central banker for four years.

Mr. Ali served as Managing Director, Enterprises & Investments at BRAC. During this period, he was Chairman of BRAC Bank Ltd. and founder Chairman of bKash Limited the first mobile financial system in Bangladesh.

Mr. Ali served on the boards of Alliance for Bangladesh workers Safety (USA), Global Alliance for Banking on Values and Performance Based Funds Initiative of IFC/ World Bank Washington, PKSF, Bangladesh. In addition, he has participated in many international fora as key note speaker and panelist.



### Mr. Toslim Uddin Khan

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

Mr. Toslim Uddin Khan was appointed as the Managing Director & CEO of SMC on 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 and he also obtained Masters in Family Planning Program Management from the University of Exeter in the United Kingdom. During his long and illustrious career with SMC since 2002 culminating in the position of Deputy Managing Director, he contributed significantly towards improving the health and family planning situation of the country. As the Chief of Program Operations, he was the responsible for implementing different donor funded health programs and projects across the country mainly funded by the United States Agency for international Development (USAID).

Under his strategic guidance and dynamic leadership, SMC is successfully implementing Blue Star, Green Star, Pink Star, Gold Star, Rose Star network, sustainable clinic operations, life cycle approach of nutrition, maternal health, tuberculosis and adolescent health & hygiene 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 in the World Social Marketing Conference held in Australia in 2015 was awarded as the best paper in the Conference. He is a renowned public health speaker on reproductive health, family planning, nutrition, child and adolescent health and has a thorough understanding of the overall dynamic health programs of the country.

# SENIOR MANAGEMENT TEAM (SMC & SMC EL)



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



**Mr. Sayef Uddin Nasir**  
Managing Director  
SMC Enterprise Ltd



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



**Mr. Kazi Amirul Haque**  
Deputy Managing Director,  
Commercial, SMC Enterprise Ltd



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



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



**Syed Mohammad Zubeyr Ali**  
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  
Star Networks  
Social Marketing Company



**Mr. Md. Moshir Rahman**  
Additional General Manager  
Field Implementation  
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 PM & 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  
SMC Enterprise Ltd



**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 Isalm**  
Team Leader, MMS Project  
Social Marketing Company



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



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



**Mr. Md. Salim Chowdhury**  
Head, Distribution & Logistics  
SMC Enterprise Ltd



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



**Mr. Md. Mujibul Haque Khan**  
Plant Head, FMCG  
SMC Enterprise Ltd

# NOTICE OF THE 35<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SOCIAL MARKETING COMPANY

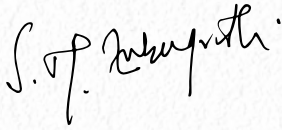
Notice is hereby given that the 35th Annual General Meeting of Social Marketing Company (SMC) will be held on Thursday, December 28, 2023 at 11:00 AM at the Head Office, 13<sup>th</sup> Floor, SMC Tower, 33 Banani Commercial Area, Road-17, Dhaka-1213 and through online digital platform, Zoom Meeting <https://zoom.us/j/95590129017?pwd=VmtCY0RkbHdMT2lUNWw1UmhZWet5dz09>, Meeting ID: 955 9012 9017, Passcode: 287950 to transact the following agenda:

## Agenda

1. To receive, consider and adopt the Directors' Report of the Company for the year ended June 30, 2023.
2. To receive, consider and adopt the Audited Financial Statements as on and for the year ended June 30, 2023 together with the Reports of the Auditors'.
3. To appoint the Statutory Auditors for the Financial Year 2023-24 and to fix their remuneration.
4. To elect and re-elect the Directors of the company.
5. To approve the induction of Company Members.

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 06, 2023

# MESSAGE FROM THE CHAIRMAN



Waliul Islam

Chairman

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*The Company has persevered to expand its program activities and has developed new ways to support capacity building of its Star health network through continuous training on family planning and health care.*

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## Dear esteemed Company Members,

I welcome you all in the 35<sup>th</sup> Annual General Meeting. Fiscal year 2022-23, a period that has witnessed both challenges and opportunities in the backdrop of the dynamic landscape of the economy of our country.

The past fiscal has been marked by economic uncertainties globally, and our country has not been immune to these challenges. Despite these challenges, I am delighted to report that our company has demonstrated robust performance in the reporting year, navigated the complexities of this economic environment effectively.

SMC has remarkably contributed to increase Contraceptive Prevalence Rate (CPR) at the national level. SMC has contributed 38% of the modern contraceptive method use nationally. The Company has persevered to expand its program activities and has developed new ways to support capacity building of its Star health network through continuous training on family planning and health care. The Company is now operating two Clinics in Dhaka and has planned to open another in Khulna soon. In the Annual Report you will find comprehensive description of the program activities.

As a significant contributor to the national health and family planning program, the sales of program products achieved substantial growth over the previous year. For instance, the Company provided 6.55 million couple-years of protection (CYPs) through the distribution of various contraceptives, a 13% increase from that of the last year.

SMC believes in the concepts of women empowerment and their self-reliance. To materialize these social agenda, SMC plays a commendable role. Under the Gold Star Network, the Company has successfully transformed potential rural women into entrepreneurs known as Gold Star Members (GSM). Over the years, the network of rural women expanded significantly creating demand and selling public health commodities in communities where a sales growth of 51% was achieved in the reporting period. The successful outcome of GSM network helped the Company Management to expand its activities in urban areas due to the potential scope to serve low-income urban neighborhoods. The initial findings of urban GSM activities are encouraging.

Our commitment to innovation, operational excellence, and customer satisfaction has allowed us not only to navigate challenges but also to enhance our competitiveness in the market by adapting to changing consumer preferences. The impressive achievements of SMC EL, a subsidiary of SMC in the reporting year has maintained a remarkable sales growth of 33% comprising of several number of consumer products and 20% sales growth of its Pharma division. In pursuit

of sustainable and positive growth, the SMC Board and the Management had adopted notable strategies for expanding factory operations, product diversification and establishing a new plant for fast-moving consumer goods (FMCG). SMC EL always remains dedicated to delivering high-quality products to our valued customers as a social commitment while upholding SMC's principles and objectives.

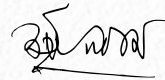
The catalysts behind the success of the company includes good corporate governance, commitment and teamwork of management, comprehensive strategic plan, business model to attract clients, quality of product and services, and support from the development partners and the government. SMC proactively sets strategic plans to earn revenue that can meet demand, cover expenses, and acquire a surplus that can be invested in further growth and expansion, ensuring financial stability, future sustainability, and the ability to absorb risk. The company bears the programmatic expenses and expansions from contributions from development partners, dividends from SMC EL, returns from financial investments, rental incomes, etc.

We supported our employees with more flexible work arrangements, continuous learning opportunities and continued efforts to enhance equity, inclusivity and diversity. Priority has been given on succession planning, and the Company actively encourages female colleagues to take leadership roles within the organization.

Looking ahead, we believe that the Company will continue to build upon this success momentum in the next fiscal year, ensuring sustained and remarkable growth to foster our mission to improve the lives of women, children and families in the country. To do this we will continue to invest in capacity enhancement, product diversification, human capital, and sustainable practices to drive long-term value for our stakeholders.

We extend gratitude to our dedicated employees, valued customers, esteemed shareholders and stakeholders for their support. Together, we will navigate the evolving economic landscape and we are optimistic about capitalizing the emerging opportunities that lie ahead.

Thank you for your trust in SMC. I invite you to explore this annual report, which provides a comprehensive overview of our journey and achievements.



**Waliul Islam**  
Chairman, Board of Directors  
Social Marketing Company

# STATEMENT OF MD & CEO, SMC



Toslim Uddin Khan

Managing Director & CEO

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*SMC is relentlessly increasing its efforts, increasing its public health products and services, promoting behavior change, raising awareness and creating sustainable social impact for the benefit of the nation.*

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It is my great pleasure to inform you that Social Marketing Company (SMC), which is on the verge of stepping into 50 years of operation, has continued its efforts to achieve its goals and social objectives in FY 2022-2023. The measures taken to support the program and the operation of its subsidiary to sustain the growth of sales and services deserves to be commended. SMC succeeded in delivering its services to the community by undertaking various donor and own funded projects and maintain its continued support to its implementation partners despite under the current global economic scenario.

Over the past 49 years, the Company has been working relentlessly in the field of family planning, maternal and child health, adolescent health and hygiene, tuberculosis, nutrition and other beneficial areas through social marketing of public health products and services. It is now, a major contributor to the national health and family planning program of Bangladesh. According to the Bangladesh Demographic and Health Survey (BDHS) 2017-18, SMC's share in the area of oral contraceptive pills, condoms and injectables nationwide was 47%, 62% and 33% respectively. This contribution has significantly assisted to increase the national Contraceptive Prevalence Rate (CPR). The Company's unique blend of program activities and social marketing of health products have earned SMC innumerable accolades which it so rightly deserves. As a result, the sales performance of program products was also quite satisfactory in the reporting year.

SMC implements its health program with extensive nation-wide coverage through its five Star networks which engages different levels of providers in the private sector. The Program Division of the Company has increased the number of different Star providers in the reporting year to reach its program strategic objectives. Currently, there are 11,000 Blue Star providers who are non-graduate medical practitioners; 4,900 Green Star providers who are public health product sellers; 550 Pink Star providers who are mostly Obstetricians and Gynecologists; and 217 Rose Star providers who are Pediatricians working across the country under its umbrella of network.

To update the knowledge base of the star providers, the Company provided basic and refresher training to 8,125 Star providers across the country. The objective of those trainings was for inclusion as Star providers in the network or to refresh their knowledge with updated information and services to offer quality services in the community.

SMC has been implementing an innovative community mobilization program across 104 upazilas in 32 districts utilizing USAID and SMC Fund program to improve the healthy behaviors of the people of the community including adolescents and empowering the women to develop as entrepreneurs. A total of 1.54 million community people including 467,436 adolescents were attended and provided with health education on various public health issues through group meetings and health sessions in school, college, madrasas. This year, SMC has expanded its community mobilization activities in eight new Upazilas and four peri-urban areas for positive change in social development and sustainable growth in communities according to its five-year strategic plan.

It goes without saying that among the five star networks, the Gold Star network is a vibrant platform of more than 3,200 women entrepreneurs working at the community level to create awareness and sales of public health products. In addition to the rural areas, SMC took steps to implement Gold Star model in urban settings to meet the demand of the low-income urban population.

During the period under review, SMC sold 2.03 million blisters of FullCare containing 15 ingredients of vitamins and minerals with a 54% growth over the last year to improve the nutritional status of pregnant women and reduce low birth weight babies. The Star network providers identified 37,204 TB presumptive where 4,178 cases were diagnosed with TB.

The clinic operations of SMC in two strategic locations of Dhaka city is to create a sustainable model keeping the provision of quality consultation, diagnostic and model pharmacy at affordable prices to all segments of the society. The ultimate aim is to expand clinic operations to other strategic locations in the country.

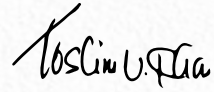
In the reporting year, SMC Enterprise Limited (SMC EL), a wholly owned subsidiary of SMC had achieved 33% revenue growth over its consumer products and achieved 26% sales revenue growth in Pharma business over the last year, which was noteworthy.

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. SMC is relentlessly increasing its efforts, increasing its public health products and services, promoting behavior change, raising awareness and creating sustainable social impact for the benefit of the nation.

I take pride to bring to your kind attention that an initiative has been taken beyond the reporting period to integrate Multiple Micronutrient Supplements and Calcium in basic pregnancy care services by the Blue Star providers and paramedics in the community. SMC believes that these efforts will contribute towards the improvement of maternal health status across the country in future.

To conclude, I would like to express my appreciation for the significant contributions of different development partners, donors and stakeholders for the confidence and continuous support reposed to SMC. All the employees of the Company deserve special thanks for their dedication, hard work and performance.

Last but not least, my heartfelt gratitude to the Board of Directors of SMC and SMC EL for their meaningful support and assistance and also value adding guidelines to the Company by fostering numerous innovative measures and also to create a favorable working environment in the Company which eventually assisted us to reach our ultimate goals.



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

# Statement of the **Managing Director, SMC EL**



**Sayef Uddin Nasir**

Managing Director

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*We have embraced technology, streamlined processes, and fostered a culture of continuous improvement. Our commitment to operational excellence has enhanced our ability to deliver quality products/services and respond swiftly to market demands.*

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We embark on the reflection of yet another transformative year at SMC Enterprise Ltd (SMC EL). As we unveil this annual report, it is with a deep sense of pride and gratitude that I share the highlights of our collective achievements and the strategic milestones that have shaped our path.

In the face of unprecedented challenges, our resilience and unwavering commitment to excellence have allowed us not only to weather the storm but to emerge stronger and more agile. The past year has been a testament to the dedication of our talented team and the robustness of our business strategies. We have surpassed the 1,500 crore Taka sales milestone for the first time.

### **\*\*Growth Highlights\*\***

Our financial performance in the past fiscal year has been nothing short of remarkable. Despite the economic uncertainties, we have delivered top-line (32%) growth and protected bottom-line with a marginal 5% drop from our consumer, pharmaceutical (OTC & Prescription) product lines. To achieve these, we had to steadfastly innovate in each area of our business and withstand the headwinds of cost escalation due to currency devaluation, demand weakening arising out of high inflation for essentials. Our revenue growth, cost and management initiatives, and prudent financial planning have contributed to a solid foundation for sustainable success.

We have been recognized by the NBR as one of the highest VAT payers.

Our marketing campaigns have been recognized both locally (Best Brand Award, Commward, DMA) and internationally (Joya success story was published by HYSTRA hybrid strategies consulting).

### **\*\*Operational Excellence\*\***

Efficiency and innovation have been at the forefront of our operations. We have embraced technology, streamlined processes, and fostered a culture of continuous improvement. Our commitment to operational excellence has enhanced our ability to deliver quality products/services and respond swiftly to market demands. The construction of our state of the art Fast Moving Consumer Products (FMCG) Plant is progressing as planned with scheduled commercial production during the second half of 2024.

### **\*\*Digital Transformation \*\***

We have made significant progress in digital transformation to drive data driven decision making, cost reduction, agility and flexibility, productivity improvement, compliance and governance, employee empowerment that will provide us with a sustainable competitive advantage. In this regard the ongoing SAP rollout has been the most significant project.

### **\*\*Employee Engagement and Development\*\***

Our greatest asset is our people. The professional growth and well-being of our employees remain central to our success. We have invested in training, mentorship programs, and initiatives that foster a positive workplace culture. As we continue to grow, our people will remain our most valuable resource. Over 2,000 employees have been trained in various areas viz. Lean manufacturing, Kaizen and Sales management, etc. during this period.

### **\*\*Strategic Vision and Future Outlook\*\***

Looking ahead, our ambition is to be at the forefront of serving customers with best-in-class quality products at affordable price enabling us to achieve sustainable profitable growth that is built on Customer centricity, Innovation, Quality, and Sustainability. We are committed to staying ahead of industry trends, exploring new markets, and leveraging emerging technologies. With a clear roadmap and a dynamic team, we are well positioned for continued success.

In conclusion, I extend my deepest gratitude to the Board, the Management, the entire SMC EL team and their families, valued customers, and partners for their unwavering support. The achievements of the past year are a collective effort, and I am confident that together, we will overcome any challenges on our path to even greater success.



**Sayef Uddin Nasir**  
Managing Director  
SMC Enterprise Ltd

# DIRECTORS' REPORT FY: 2022-23



SOCIAL MARKETING COMPANY

# DIRECTORS' REPORT

## SOCIAL MARKETING COMPANY

Dear Company Members,

On behalf of the Board of Directors of the Company, I present the Directors' Report, along with the Audited Financial Statements of Social Marketing Company (SMC) for the financial year ended on June 30, 2023 and the Auditor's Report thereon, for your consideration and adoption. This report provides an overview of performance of SMC, accomplishment and the alignment of strategic initiatives taken during the reporting period.

The economy of the country showed strong resilience by making a remarkable recovery from the impact of the recent pandemic. However, the ray of hope

referral and other socially beneficial areas. It aims to utilize its brand value, brand loyalty, market positioning and reputation to create partnerships with the private sector and collaboration with the Government of Bangladesh (GOB).

As you know that SMC established five Star networks by engaging private sector graduate and non-graduate health providers. They are the backbone of the entire program, offering public health products, messages and services in the community across the country. The geographical coverage of the program networks is tabulated herein under:

Program types/networks	Number of Districts covered	Number of Upazila covered	Number of members
Blue Star	64	495	11,159
Green Star	64	495	4,928
Pink Star	58	-	552
Rose Star	15	-	217
Gold Star-Rural	32	104	3,048
Gold Star-Urban	4	7 areas	184

was marred by the ongoing conflict in Europe, which eventually changed the global economic order. Despite the adverse economic growth of the country, SMC maintained its agility to deliver consistent top line growth thereby attaining targeted program activities like previous years.

I congratulate all the employees of SMC and the Management for achieving commendable results in the FY 2022-23.

### Programmatic Activities

SMC continues its successful journey by maintaining its role as a major contributor in the Bangladesh national health and family planning program. The Company through its nationwide Star networks of health providers primarily focus on family planning, maternal and child health, adolescent health, nutrition, tuberculosis

In an effort to offer affordable and quality healthcare services to the masses, particularly those belonging to the low-income strata, SMC inaugurated its initial clinic project, SMC Niltara Clinic located at Dhaka Uddyan, Mohammadpur in 2018 followed by a second clinic at SMC Tower-2, Darussalam, Mirpur in 2021. The clinic offers essential health services which include general practitioners, and consultant services for Gynaecology, Medicine, Paediatric, Orthopaedic, Skin & VD etc. with modern diagnostic facilities. It also has a model pharmacy providing quality medicine at affordable price.

With four core competencies, SMC continues to implement programs which include capacity building of the health care providers in the private sector, behavior change communication, community mobilization, adolescent health and development of women entrepreneurs.

The following table shows a number of critical program indicators:

#	Indicators	FY-2021-2022 (July -June)	FY-2022-2023 (July -June)
1	Reached married women of reproductive age with health messages	666,413	747,790
2	Reached adolescents with health messages	131,168	142,465
3	Average annual sales of Gold Star members (in TK.)	81,600	107,605
4	Number of children received growth monitoring and promotion services by the Blue Star providers	44,855	105,078
5	Number of pregnant women received pregnancy care services by the Blue Star providers.	175,798	795,798
6	Number of TB cases identified by the Blue Star providers	3,210	4,178
7	Number of private sector providers received basic and refreshers trainings	5,955	8,125

### Key highlights of the Annual Performance (FY 2022-23):

- SMC marketed 12 public health products across the country and adopted a variety of marketing strategies to create demand for program products. During the reporting period, SMC sold 50 lac vials of injectables contraceptives (9% growth over the last year), 4.5 crore sachets of MoniMix for child nutrition (11% growth), 20 lac blisters of FullCare (Multiple Micronutrient Supplements) for pregnant mother (54% growth), 87 lac tablets of Vermicid for de-worming (30% growth) and 8.53 lac blisters of Zinc tablets for child nutrition (6% growth).
- SMC has a strong network of sales and distribution across the country and successfully distributed its products to 1.74 lac pharmacies and 6.42 lac non-pharmacies.
- The Gold Star Program was expanded to eight new rural Upazilas using SMC fund. This model was also extended in four areas under Dhaka, Chattogram, Barishal and Sylhet City Corporations to create women entrepreneurs and increase awareness and accessibility of priority health products in peri-urban areas using SMC and USAID fund.
- The Company 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 7.48 lac Married Women of Reproductive Age (MWRA) attended the courtyard meetings and 4.67 lac adolescents attended health sessions during this period with specific adolescent health messages.
- Till the end of FY 2022-23, SMC transformed 3,232 rural and urban women into entrepreneurs (Gold Star Member). Gold Star members are involved in disseminating health messages and selling priority health products at the doorstep. During this period, a total of 3,232 Gold Star members has been actively engaged and they sold products worth Tk. 35 crore. The sales revenue generated 51% more in the reporting year compared to the previous year. This program is also contributing to the women empowerment and self-reliance.
- In FY 2022-23, SMC expanded its network providers with an extended service package. The network members were expanded by adding 1,617 Blue Star, 796 Green Star, 76 Pink Star and 99 Rose Star providers through basic training. Blue Star providers were increased from 9,406 to 11,159, Green Star providers from 4,406 to 4,923 and Pink Star providers from 500 to 552 during the reporting year. SMC also expanded GSMs by adding 411 in the reporting year. As a continuous process, SMC promoted these networks through comprehensive demand-creation activities using both local and mass media.
- Multiple Micronutrient Supplements (MMS) project aims to reduce the burden of low birth weight of babies by improving maternal and child nutrition. SMC trained 7,664 providers (BSP and GSP) on pregnancy care under this project and oriented 758 Gold Star Members.
- SMC organized District level and Upazila (Sub District) level Orientation Sessions participated by 3,515 Obstetricians and Gynaecologists (OBGYNs) and Graduate Doctors to create demand and to popularize FullCare MMS.
- As a consortium member of USAID's Alliance for Combating Tuberculosis in Bangladesh (ACTB), SMC put relentless effort to fight against TB. The trained Star Network Providers of SMC identified 36,853 TB presumptive cases among the screened patients or clients during this period. Of those, 4,178 were diagnosed as TB and accordingly were under treatment.
- With regards to own funded projects of SMC, in Niltara and SMC Clinic the client/patient flow was increased by 7% and 26% respectively as compared to the last year. The income of Niltara Clinic has increased by 11% compared to last year and recovered 82% of its operating cost. On the other hand, the income has increased by 41% at SMC Clinic which was 41% of its operating cost.

The detail about program activities, national contribution, component are discussed in a separate chapter namely "Program Activities" in Page 58 of the Annual Report.

## Research Insights

The Research Team of SMC supports marketing and program initiatives by conducting various surveys and research studies and providing in-depth information to continue the programs effectively and efficiently. During the period under review, Research and Monitoring Department of the Company undertook the following assessments to understand the effects of program activities.

- Blue Star program review
- Post launch survey on MoniMix Plus and Vermicid
- Post campaign evaluation of TVC and pop-up of MoniMix
- Customer feedback study of SMC Niltara and SMC Niltara
- Evaluation of special adolescent health campaign
- Availability study of SMC and its competitor products, among the network provider

The research activities are discussed in a separate chapter namely "Research Insight" in Page 73 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 and financial performance of the company. The consolidated gross revenue of SMC during the period was Tk. 1,631 crore with a consolidated net profit after tax of Tk. 72 crore. The net sales growth arrived at 31% and net profit after tax decreased by 30% compared to the last year. The drop in net profit after tax was due to expansion of program activities, enhanced program promotional activities (utilization of accumulated program income), impact of newly enacted income tax laws, and consolidation effect of dividend income.

#### Key Financial Highlights of Consolidated Financial Statements:

(Figures in Taka)

Particulars	FY 2022-23 (July to June)	FY 2021-22 (July to June)
Net Revenue	1,445,05,22,145	1,104,45,04,823
Gross profit	487,29,30,157	422,27,07,508
Net Profit After Tax	71,83,33,487	103,04,02,686
Capital Fund	269,53,25,643	317,48,14,168
Retained Earnings	629,82,06,617	518,57,32,502

### Standalone Financial Statements

The standalone revenue of SMC from sale of program products reached Tk. 30 crores for the period ended June 30, 2023. The Statement of Income and Expenditure for the year ended on 30.06.2023 has shown a deficit before tax of Tk. 2.26 crore with a decline of 241% compared to last year. The drop was due to the expansion of program activities utilizing accumulated program income.

### 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

#### Key Financial Highlights Standalone Financial Statements:

(Figures in Taka)

Particulars	FY 2022-23 (July to June)	FY 2021-22 (July to June)
Revenue	30,19,34,568	30,49,81,952
Donation Income	53,89,24,909	47,56,20,453
Income from SMC Clinics	7,01,90,111	5,39,84,937
Corporate Income	51,83,83,323	36,30,95,236
Total Income	142,94,32,911	119,76,82,578
Total expenditure	(145,20,35,292)	(118,17,02,231)
Gross (Deficit)/ Surplus Before Tax	(2,26,02,381)	1,59,80,347



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;
- Financial statements of Subsidiary Company are reviewed by the joint Audit Committee of the Subsidiary and Holding Company;

During the period, SMC EL earned net sales revenue of Tk 1,415 crore and has been maintaining the revenue growth successively for years together. Gross profit was Tk 470 crore with 17% growth and profit after tax arrived at Tk 112 crore.

Over the years the Company has consistently made significant contribution to the national exchequer by way of paying direct and indirect taxes. During the period under review, the Company contributed Tk. 231 crore to the government exchequer which was 19% higher than that of the previous year.

In FY 2022-23 the SMC Pharmaceutical business has generated gross sales revenue of Tk. 105 crore with a growth of 27% compared to the last year. In the reporting period it has launched its very first, injection named Triforce (Ceftriaxone 500 mg IM, 1 g IM & 1 g IV) on May 1, 2023.

## 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 Farhad Hussain FCA, was re-elected as a Director in the 32nd AGM held on March 30, 2021 and will retire in the 35th AGM as his period of working as a Director since his last election is longer than others.

Three Directors namely, Dr. Yasmin Hemayat Ahmed, Dr. Jahir Uddin Ahmed and Professor Dr. Ahmed Mushtaque Raza Chowdhury were appointed as Directors in the 33rd AGM held on March 28, 2022 and are due for retirement in the 35th AGM of the Company as they are longest in the office since their last election.

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 among themselves, be determined by lot." Therefore, if three of the aforementioned Directors do not agree among themselves regarding which two of them are going to retire, then it will be decided by conducting a lottery.

## Re-appointment of the Chairman of the Board

In accordance with the clause 39 of the Articles of Association of the Company, the Board of Directors of the Social Marketing Company (SMC) in its 224th Meeting held on August 30, 2023 re-elected Mr. Waliul Islam as the Chairman of the Company for a further period of two years with effect from September 7, 2023.

## New Managing Director & CEO of SMC

Mr. Toslim Uddin Khan, Deputy Managing Director of SMC has been promoted to the position of Managing Director & CEO of the Company with effect from January 1, 2023. He served as acting Managing Director & CEO of the Company and took the charge on September 1, 2022 after the completion of the contract of Mr. Md. Ali Reza Khan.

## 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, M/s. ACNABIN, Chartered Accountants, shall retire in the 35th AGM and, being eligible, offer themselves for re-appointment. The Board of directors of the Company in its 226th Board Meeting held on 28 November 2023 recommended their re-appointment for the year 2023-2024 with an audit fee of Tk. 3,30,750/- exclusive of VAT and to continue till the next AGM of the Company.

The Statutory Auditors of the Company have given reports on the financial statements of the Company for the year ended 30 June 2023, which forms part of the Annual Report.

There is no qualification, reservation, adverse remark, comments, observations or disclaimer given by the Statutory Auditors in their reports.

## Governance

SMC always believes 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 ethical business practices. SMC also believes that good governance processes provide transparency with regards to corporate policies and strategies, while enabling the management to refine decision-making process. This further strengthens

internal control systems and helps in building positive relationships with all our stakeholders.

The Board of Directors of the Company is deeply engaged in developing and measuring the Company's long-term strategy, performance, culture and values. We believe that it adds a valuable and diverse set of external perspectives, while a robust, open debate about significant business issues brings an additional discipline and rigor to major decisions.

As a part of the good governance practice with a view to ensuring transparency and accountability the company has Board Sub-committees, Audit Committee, Management Committee, Internal Audit and Compliance department and various committees at working level. Furthermore, the inclusion of committees obviously strengthens governance mechanisms. The Audit Committee, a key pillar, ensures financial oversight and compliance. The role of Audit committee encompasses risk assessment, financial reporting integrity, and serves as a safeguard, reinforcing the reliability of the company's financial disclosures. The Committee comprises five members. 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 Audit Committee Charter.

Moreover, the Internal Audit & Compliance team serves as an independent evaluator, reviewing internal controls and processes. The entire activities governed by a Board approved Internal Audit manual. This function not only identifies potential areas of improvement but also reinforces the commitment of the Company to operational excellence and risk mitigation.

SMC embraces diverse control environments which further fortifies governance. These include internal controls, information systems, and compliance frameworks. The integration of these elements forms a multifaceted defense safeguarding against operational lapses and promoting a culture of continuous improvement. These reflects a dedication of the Company to upholding the highest standards of governance, ensuring stakeholders' trust and long-term sustainability.

The detail of Corporate Governance is discussed in the separate chapter 'Corporate Governance Report' in Page 86 of this Annual Report.

## Human Resource Management

SMC accords the highest priority to its human resources and sustainable staff welfare. As a policy driven Company, the Management strictly adhere to rules and procedures as laid down in its Administrative and Service Manual. The Management and the Board

of SMC has always given priority for attaining gender equality by adopting a gender policy. The Company believes that its employees are integral to its success and committed to ensure a safe and healthy working environment for all. As on June 30, 2023, SMC had a total 365 employees on payroll, out of which 107 were female employees (29%). SMC offers competitive compensation packages for employees and encourage professionalism, productivity, build talent and skills, enhance leadership capabilities and also maximize their own personal and professional potential.

The detail of human resource management is discussed in the separate chapter 'Human Resource Management-SMC' in Page 74 of this Annual Report.

## Engineering and Construction Services

This division of SMC has been rendering commendable services in the field of infrastructural development for both SMC and its subsidiary (SMC EL). During the period under review the division successfully completed good number of infrastructural facilities in its subsidiary to enhance the production capacity of Taste Me and Bolt under Food Manufacturing Division in Bhaluka factory. Completed construction of prefabricated steel warehouse having 250 tons storage capacity of raw material and packing material in Health & Hygiene factory, Cumilla.

A groundbreaking works of FMCG project started in Bhabanipur, Gazipur with a facilities of one 6-storied production building having 30,000 sft in each floor alongwith one central warehouse having area of 29,000 sft. where 9 tiers modern pallet racking system will be installed for smooth operation.

## Information and Communication Technology (ICT)

As a part of business process automation of SMC and its subsidiary, ICT division was always actively involved in introducing innovations, technologies and facilities.

The major projects/tasks during the period under review include Gold Star Monitoring System (GSM) to track all the GSM Sales and program activities, Implemented Rose Star Electronic Reporting Software (RSERS) for the Rose Star Program, Configured and installed the secondary Firewall and Core switch system that strengthened the overall security services of Head Office Data Center.

## Outlook for FY 2023-24 and beyond

As we look to the future, we remain resolute in our dedication to creating healthier, happier, and more prosperous families. Our vision extends beyond the horizon, and we are excited about the possibilities that lie ahead.

Like before, 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 2023-24 by adding the following activities:

- Integrate Multiple Micronutrient Supplements and Calcium tablets in pregnancy care services through paramedics in Gold Star upazilas and Blue Star providers.
- Initiate Long-Acting Permanent Method (LAPM) campaign in low income urban area adjacent to SMC Clinics.
- Expansion of 5 Gold Star clusters in City Corporation.
- Expansion of Star Networks by adding approximately 1,000 Blue Star, 500 Green Star, 50 Pink Star, 50 Rose Star and 268 Gold Star members.
- Expansion of Gold Star Program in 8 new Upazilas under SMC fund.
- Expansion of the coverage of clinic services.

## Appreciation

The Board appreciates the dedication and commitment of the workers and the Management of the Company for their performances despite the challenging circumstances. The Board also extended gratitude to the Stakeholders and the regulatory authorities for their unwavering support and guidance throughout the year.

By working together, we can continue to drive positive change and nurture the well-being of families for generations to come and achieving the journey toward a brighter and healthier future for all.



**Waliul Islam**

Chairman of the Board of Directors  
Social Marketing Company

# পরিচালক মন্ডলীর প্রতিবেদন

## সোশ্যাল মার্কেটিং কোম্পানী (এসএমসি)

প্রিয় কোম্পানীর সদস্যবৃন্দ,

কোম্পানীর পরিচালনা পর্ষদের পক্ষ থেকে, আমি সোশ্যাল মার্কেটিং কোম্পানীর ২০২২-২৩ অর্থবছরের নিরীক্ষকের প্রতিবেদনসহ নিরীক্ষিত আর্থিক বিবরণী এবং পরিচালকের প্রতিবেদন আপনাদের বিবেচনা এবং গ্রহণের জন্য উপস্থাপন করছি। এই প্রতিবেদনটিতে এসএমসি'র সামগ্রিক কার্যক্রম, সাফল্য এবং প্রতিবেদনকালীন সময়ে গৃহীত কৌশলগত পদক্ষেপ বাস্তবায়নের একটি বিবরণ প্রদান করা হয়েছে।

দেশের অর্থনীতি সাম্প্রতিক মহামারীর প্রভাব দৃঢ়তার সাথে মোকাবেলা করতে পেরেছে। তবে ইউরোপে চলমান সংঘাত

যৌথ সহযোগিতার মাধ্যমে ব্র্যান্ডের পরিচিতি, ব্র্যান্ডের বিশ্বস্ততা, বাজারের অবস্থান এবং সুনাম অক্ষুণ্ন রাখা।

আপনারা জানেন যে, এসএমসি বেসরকারী পর্যায়ের গ্র্যাজুয়েট এবং নন-গ্র্যাজুয়েট স্বাস্থ্য সেবাপ্রদানকারীদের সমন্বয়ে পাঁচটি স্টার নেটওয়ার্ক প্রতিষ্ঠা করেছে। এসকল সেবাপ্রদানকারীগণ সারা দেশে জনস্বাস্থ্য পণ্যের চাহিদা ও সরবরাহ বৃদ্ধি, স্বাস্থ্যবর্তী প্রচার এবং সেবা প্রদান করেছে। এই স্টার নেটওয়ার্কের সেবাপ্রদানকারীরা সমগ্র দেশজুড়ে বিস্তৃত। প্রোথাম নেটওয়ার্কের ভৌগোলিক অবস্থান নীচের ছকে বর্ণনা করা হয়েছে:

প্রোথামের ধরন/নেটওয়ার্ক	নেটওয়ার্কভুক্ত জেলার সংখ্যা	নেটওয়ার্কভুক্ত উপজেলার সংখ্যা	সদস্য সংখ্যা
ব্লু- স্টার	৬৪	৪৯৫	১১,১৫৯
গ্রীন স্টার	৬৪	৪৯৫	৪,৯২৮
পিঙ্ক স্টার	৫৮	-	৫৫২
রোজ স্টার	১৫	-	২১৭
গোল্ড স্টার-গ্রামীণ	৩২	১০৪	৩,০৪৮
গোল্ড স্টার-নগর এলাকা	৪	সাতটি ওয়ার্ড	১৮৪

এই আশার আলোকে মলিন করে দিয়েছে, যার ফলে বৈশ্বিক অর্থনৈতিক অবস্থার পরিবর্তন ঘটেছে। দেশের প্রতিকূল অর্থনৈতিক প্রবৃদ্ধি সত্ত্বেও, এসএমসি উত্তরোত্তর প্রবৃদ্ধি বজায় রাখার পাশাপাশি পূর্ববর্তী বছরগুলোর ন্যায় প্রোথামের নির্ধারিত লক্ষ্যমাত্রা অর্জন করে রাজস্ব প্রবৃদ্ধির ধারা অব্যাহত রেখেছে।

আমি ২০২২-২৩ অর্থবছরে প্রশংসনীয় সাফল্য অর্জনের জন্য এসএমসি এবং ব্যবস্থাপনার সকল কর্মীদের প্রতি কৃতজ্ঞতা এবং আন্তরিক অভিনন্দন জ্ঞাপন করছি।

### প্রোথামের সামগ্রিক কার্যক্রম

এসএমসি বাংলাদেশের জাতীয় স্বাস্থ্য ও পরিবার পরিকল্পনা কর্মসূচিতে গুরুত্বপূর্ণ অবদান রাখার পাশাপাশি সার্বিক উন্নয়নে ধারাবাহিকভাবে সফলতার যাত্রা অব্যাহত রেখেছে। কোম্পানী দেশব্যাপী স্টার নেটওয়ার্কের (স্বাস্থ্য সেবাপ্রদানকারী) মাধ্যমে পরিবার পরিকল্পনা, মা ও শিশু স্বাস্থ্য, বয়ঃসন্ধিকালীন স্বাস্থ্য, পুষ্টি, যক্ষ্মা (রেফারেল) এবং অন্যান্য সামাজিক উন্নয়নের ক্ষেত্রগুলোতে গুরুত্বপূর্ণ ভূমিকা রেখে চলেছে। এসএমসি'র লক্ষ্য হলো বেসরকারী পর্যায়ে এবং বাংলাদেশ সরকারের সাথে

এসএমসি সকল শ্রেণীর জনসাধারণকে, বিশেষ করে নিম্ন ও মধ্যম আয়ের জনগোষ্ঠীকে সাশ্রয়ী মূল্যে মানসম্মত স্বাস্থ্যসেবা প্রদানের লক্ষ্যে ২০১৮ সালে ঢাকা উদ্যান, মোহাম্মদপুরে প্রাথমিক ক্লিনিক প্রকল্প হিসেবে এসএমসি নীলতারা ক্লিনিক প্রতিষ্ঠা করে এবং পরবর্তীতে এসএমসি টাওয়ার-২, দারুসসালাম, মিরপুরে “এসএমসি ক্লিনিক” নামে আরেকটি ক্লিনিক চালু করে। এই ক্লিনিক দুটিতে সার্বক্ষণিক সাধারণ চিকিৎসক সহ মেডিসিন, গাইনী, শিশু, ইএনটি, গ্যাস্ট্রোএন্টারোলজি, কার্ডিওলজি, অর্থোপেডিক্স, এন্ডোক্রাইনোলজি, চর্ম ও যৌন রোগের বিশেষজ্ঞ চিকিৎসকবৃন্দ চিকিৎসা প্রদান করে থাকেন। ক্লিনিকে একটি মডেল ফার্মেসি রয়েছে যেখানে ন্যায্যমূল্যে মানসম্পন্ন ঔষধ পাওয়া যায়।

এসএমসি চারটি মূল চালিকা শক্তির মাধ্যমে প্রোথাম কর্মসূচির সঠিক বাস্তবায়ন করে চলেছে যার মধ্যে রয়েছে বেসরকারি পর্যায়ের স্বাস্থ্য সেবাপ্রদানকারীদের কর্মদক্ষতা বৃদ্ধি, যোগাযোগের মাধ্যমে আচরণগত পরিবর্তন, কমিউনিটি মোবাইলাইজেশন, কিশোরী-কিশোরীদের স্বাস্থ্য এবং নারী উদ্যোক্তাদের ক্রমবিকাশ ও সক্ষমতা বৃদ্ধি।

নিম্নলিখিত সারণীতে বেশ কয়েকটি গুরুত্বপূর্ণ প্রোগ্রাম কর্মসূচি দেখানো হলো:

- এসএমসি স্বাস্থ্যসেবা বিষয়ে সচেতনতা বৃদ্ধি, স্বাস্থ্যসম্মত আচরণ এবং অনুশীলনে পরিবর্তন আনার ক্ষেত্রে উঠান

নং	যোগাযোগের মাধ্যম	অর্থবছর-২০২১-২০২২ (জুলাই-জুন)	অর্থবছর -২০২২-২০২৩ (জুলাই-জুন)
১	প্রজনন বয়সী বিবাহিত মহিলাদের মাঝে স্বাস্থ্য বার্তা প্রচার	৬৬৬,৪১৩	৭৪৭,৭৯০
২	কিশোর-কিশোরীদের কাছে স্বাস্থ্য বার্তা পৌঁছে দেয়া	১৩১,১৬৮	১৪২,৪৬৫
৩	গোল্ড স্টার মেম্বারদের বার্ষিক গড় বিক্রয় (টাকায়)	৮১,৬০০	১০৭,৬০৫
৪	ব্লু-স্টার সেবাপ্রদানকারী কর্তৃক শিশুদের শারীরিক বৃদ্ধি পর্যবেক্ষণ এবং প্রচার সেবা প্রাপ্তির সংখ্যা	৪৪,৮৫৫	১০৫,০৭৮
৫	ব্লু-স্টার সেবাপ্রদানকারী কর্তৃক গর্ভবতী মহিলাদের গর্ভকালীন পরিচর্যা সেবা প্রাপ্তির সংখ্যা	১৭৫,৭৯৮	৭৯৫,৭৯৮
৬	ব্লু-স্টার সেবাপ্রদানকারী কর্তৃক চিহ্নিত যক্ষ্মা রোগীর সংখ্যা	৩,২১০	৪,১৭৮
৭	বেসরকারী পর্যায়ে মৌলিক এবং রিফ্রেশার প্রশিক্ষণপ্রাপ্ত সেবাপ্রদানকারীর সংখ্যা	৫,৯৫৫	৮,১২৫

#### ২০২২-২৩ অর্থবছরের উল্লেখযোগ্য বার্ষিক কার্যক্রম:

- এসএমসি সারা দেশে ১২টি জনস্বাস্থ্য পণ্য বাজারজাত করেছে এবং এসকল পণ্যের চাহিদা বৃদ্ধির লক্ষ্যে বিভিন্ন বিপণন কৌশল অবলম্বন করেছে। প্রতিবেদনের সময়কালে, এসএমসি ৫০ লক্ষ ভায়ালস ইঞ্জেক্টেবল কন্ট্রাসেস্টিভস (প্রবৃদ্ধির হার গত বছরের তুলনায় ৯%), শিশু পুষ্টির জন্য ৪.৫ কোটি স্যাশে মনিমিক্স (প্রবৃদ্ধির হার ১১%), ২০ লক্ষ ব্লিস্টার ফুলকেয়ার ট্যাবলেট (মাল্টিপল মাইক্রোনিউট্রিয়েন্ট সাপ্লিমেন্ট) গর্ভবতী মায়ের জন্য (প্রবৃদ্ধির হার ৫৪%), ৮৭ লক্ষ কুমিনাশক ট্যাবলেট ভার্মিসিড (প্রবৃদ্ধির হার ৩০%) এবং শিশুদের পুষ্টির জন্য ৮.৫৩ লক্ষ ব্লিস্টার জিঙ্ক ট্যাবলেট (প্রবৃদ্ধির হার ৬%) বিক্রি করেছে।
- সারা দেশে এসএমসি'র বিক্রয় ও বিতরণের একটি শক্তিশালী নেটওয়ার্ক রয়েছে। এইগুলোর মাধ্যমে ১.৭৪ লক্ষ ফার্মেসি এবং ৬.৪২ লক্ষ নন-ফার্মেসি আউটলেটে সফলভাবে পণ্য বিতরণ করেছে।
- এসএমসি নিজস্ব অর্থায়নে গোল্ড স্টার প্রোগ্রাম কর্মসূচী আটটি নতুন উপজেলায় সম্প্রসারণ করেছে। এছাড়াও এসএমসি এবং ইউএসএআইডি'র অর্থায়নে প্রয়োজনীয় জনস্বাস্থ্য পণ্যের সরবরাহ ও চাহিদা বৃদ্ধি এবং নারী উদ্যোক্তা তৈরির লক্ষ্যে ঢাকা, চট্টগ্রাম, বরিশাল ও সিলেট সিটি কর্পোরেশনের আওতাধীন চারটি নগর এলাকায়ও এই মডেলটি সম্প্রসারণ করা হয়েছে।

বৈঠক, আন্তঃব্যক্তিক যোগাযোগ এবং স্কুল সেশনের মাধ্যমে কমিউনিটি পর্যায়ে ব্যাপক প্রচারাভিযান পরিচালনা করেছে। প্রতিবেদনকালীন সময়ে মোট ৭.৪৮ লক্ষ প্রজনন বয়সী বিবাহিত নারী (MWRA) উঠান বৈঠকে অংশগ্রহণ করেন এবং স্বাস্থ্য সেশন পরিচালনার মাধ্যমে ৪.৬৭ লক্ষ কিশোর-কিশোরীদের মাঝে বয়ঃসন্ধিকালীন স্বাস্থ্যবার্তা প্রচার করা হয়।

- ২০২২-২৩ সালের শেষ অবধি, এসএমসি মোট ৩,২৩২জন গ্রামীণ ও শহুরে নারীকে উদ্যোক্তায় (গোল্ড স্টার মেম্বার) রূপান্তরিত করেছে। গোল্ড স্টার সদস্যগণ স্বাস্থ্য বার্তা প্রচার ও জনস্বাস্থ্য পণ্য আপামর জনগোষ্ঠীর দোরগোড়ায় পৌঁছে দিতে সক্রিয়ভাবে কাজ করেছে। প্রতিবেদনকালীন সময়ে মোট ৩,২৩২জন জিএসএম এই নেটওয়ার্কে সক্রিয়ভাবে নিযুক্ত ছিল এবং ৩৫ কোটি টাকার পণ্য বিক্রি করে। ঐ সময়ে জিএসএম কর্তৃক বিক্রয় গত বছরের তুলনায় ৫১% বৃদ্ধি পেয়েছে। এই কর্মসূচি নারীর ক্ষমতায়ন এবং স্বনির্ভরতা বৃদ্ধির ক্ষেত্রেও গুরুত্বপূর্ণ অবদান রাখছে।
- ২০২২-২৩ অর্থবছরে এসএমসি নেটওয়ার্ক সেবাপ্রদানকারীদের সংখ্যা বৃদ্ধির পাশাপাশি সেবা সংক্রান্ত প্যাকেজও বৃদ্ধি করেছে। প্রাথমিক প্রশিক্ষণের মাধ্যমে ১,৬১৭জন ব্লু-স্টার, ৭৯৬ জন গ্রীন স্টার, ৭৬ জন পিঙ্ক স্টার এবং ৯৯জন রোজ স্টার সেবাপ্রদানকারী যুক্ত করে নেটওয়ার্কের সদস্য সংখ্যা সম্প্রসারণ করা হয়েছে। প্রতিবেদনকালীন সময়ে ব্লু-স্টার সেবাপ্রদানকারী ৯,৪০৬

জন থেকে ১১,১৫৯ জন, গ্রীন স্টার সেবাপ্রদানকারী ৪,৪০৬ জন থেকে ৪,৯২৩ জন এবং পিঙ্ক স্টার সেবাপ্রদানকারী ৫০০ জন থেকে ৫৫২ জনে উন্নীত হয়েছে। এসএমসি প্রতিবেদনকালীন সময়ে ৪১১ জন গোল্ড স্টার মেম্বার অর্ন্তভুক্ত করে জিএসএম-এর সংখ্যা বৃদ্ধি করেছে। এরই ধারাবাহিকতায় এসএমসি স্থানীয় এবং গণমাধ্যমে যোগাযোগ কার্যক্রম পরিচালনার মাধ্যমে নেটওয়ার্কসমূহ সম্প্রসারণের প্রয়াস চালিয়ে যাচ্ছে।

- মাল্টিপল মাইক্রোনিউট্রিয়েন্ট সাপ্লিমেন্টস (এমএমএস) প্রকল্পের লক্ষ্য হলো মাতৃস্বাস্থ্য ও শিশুর পুষ্টি অবস্থার উন্নয়নের মাধ্যমে কম ওজন সম্পন্ন শিশুর জন্ম প্রতিরোধ করা। এসএমসি এই প্রকল্পের অধীনে গর্ভকালীন সময়ে স্বাস্থ্য সেবা বিষয়ে ৭,৬৬৪ জন সেবাপ্রদানকারীকে (বিএসপি এবং জিএসপি) প্রশিক্ষণ দিয়েছে এবং ৭৫৮জন গোল্ড স্টার মেম্বারকে ওরিয়েন্টেশন সেশন প্রদানের মাধ্যমে এই বিষয়ে অবহিত করেছে।
- গ্রাহকদের মাঝে ফুলকেয়ার ব্র্যান্ডের চাহিদা বৃদ্ধি এবং এমএমএসকে জনপ্রিয় করে তোলার লক্ষ্যে এসএমসি জেলা এবং উপজেলা পর্যায়ে ওরিয়েন্টেশন সেশনের আয়োজন করে যেখানে ৩,৫১৫ জন গাইনী ও প্রসূতি বিশেষজ্ঞ (OBGYNs) এবং গ্র্যাজুয়েট ডাক্তারগণ অংশগ্রহণ করেন।
- এসএমসি ইউএসএআইডি'র অ্যালায়েন্স ফর কমব্যাটিং টিউবারকিউলোসিস ইন বাংলাদেশ (এসিটিবি)-এর কনসোর্টিয়াম সদস্য হিসেবে, যক্ষ্মা প্রতিরোধে নিরলস প্রচেষ্টা চালিয়ে যাচ্ছে। এসএমসি'র প্রশিক্ষিত স্টার নেটওয়ার্ক সেবাপ্রদানকারীগণ (বিএসপি) প্রতিবেদনকালীন সময়ের মধ্যে ৩৬,৮৫৩ জনকে সন্দেহজনক যক্ষ্মা রোগী হিসেবে শনাক্ত করেন যার মধ্যে ৪,১৭৮ জন যক্ষ্মা রোগে আক্রান্ত এবং চিকিৎসাধীন ছিলেন।
- এসএমসি'র নিজস্ব অর্থায়নে পরিচালিত প্রকল্পসমূহ, নীলতারা এবং এসএমসি ক্লিনিকে গত অর্ধবছরের তুলনায় রোগীর সংখ্যা যথাক্রমে ৭% এবং ২৬% বৃদ্ধি পেয়েছে। নীলতারা ক্লিনিকের আয় গত বছরের তুলনায় ১১% বৃদ্ধি পেয়েছে এবং আয়ের বিপরীতে পরিচালনা ব্যয়ের ৮২% সমন্বিত হয়েছে। অন্যদিকে, এসএমসি ক্লিনিকের আয় ৪১% বৃদ্ধি পেয়েছে এবং আয়ের বিপরীতে পরিচালনা ব্যয়ের ৪১% সমন্বিত হয়েছে।

বার্ষিক প্রতিবেদনের ৫৮-তম পৃষ্ঠায় "এসএমসি প্রোগ্রাম কার্যক্রম" শীর্ষক একটি পৃথক অধ্যায়ে প্রোগ্রামের সার্বিক কর্মকান্ড, জাতীয় অবদান এবং প্রোগ্রাম কর্মসূচির গুরুত্বপূর্ণ দিকসমূহ সম্পর্কে বিস্তারিত আলোচনা করা হয়েছে।

## গবেষণা অর্ন্তদৃষ্টি

এসএমসি'র গবেষকরা বিভিন্ন সমীক্ষা ও গবেষণা প্রকল্প বাস্তবায়নের মাধ্যমে প্রোগ্রাম কর্মকান্ডগুলোকে কার্যকর এবং দক্ষতার সাথে পরিচালনার জন্য সঠিক এবং যথাযথ তথ্য প্রদানের মাধ্যমে বিপণন এবং প্রোগ্রাম কর্মসূচির বিকাশে সহায়তা করে থাকে।

পর্যালোচনাধীন সময়কালে, কোম্পানীর গবেষণা ও পর্যবেক্ষণ বিভাগ প্রোগ্রাম কার্যক্রমসমূহের প্রভাব অনুধাবনের জন্য নিম্নলিখিত গবেষণা প্রকল্প বাস্তবায়ন করেছে:

- ব্লু-স্টার প্রোগ্রাম পর্যালোচনা
- মনিমিক্স প্লাস এবং ভারমিসিড-এর উপর পোস্ট লঞ্চ জরিপ
- মনিমিক্স-এর টিভিসি এবং পপ-আপের প্রচার-পরবর্তী মূল্যায়ন
- এসএমসি নিলতারা ক্লিনিক এবং এসএমসি ক্লিনিক সম্পর্কে গ্রাহকদের মতামত মূল্যায়ন
- বয়ঃসন্ধিকালীন স্বাস্থ্য বিষয়ক বিশেষ প্রচারাভিযানের মূল্যায়ন
- নেটওয়ার্ক সেবাপ্রদানকারীদের মধ্যে এসএমসি এবং এর প্রতিযোগী পণ্যগুলোর প্রাপ্যতা নিরূপণ

বার্ষিক প্রতিবেদনের ৭৩তম পৃষ্ঠায় "গবেষণা অর্ন্তদৃষ্টি" শীর্ষক একটি পৃথক অধ্যায়ে (২নং সংযুক্তি) বিস্তারিত আলোচনা করা হয়েছে।

## আর্থিক ফলাফল

### সমন্বিত আর্থিক বিবরণী

ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (IFRS)/ ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ডস (IAS)-এর নীতিমালা অনুযায়ী সমন্বিত আর্থিক বিবরণী প্রস্তুত করা হয়েছে। বিবরণীতে কোম্পানীর আর্থিক অবস্থান এবং কার্যক্রম প্রতিফলিত হয়েছে। প্রতিবেদন চলাকালীন সময়ে, এসএমসি'র সমন্বিত মোট রাজস্ব ছিল ১,৬৩১ কোটি টাকা এবং নিট মুনাফা ছিল ৭২ কোটি টাকা। গত বছরের তুলনায় নিট বিক্রয় ৩১% বৃদ্ধি পেয়েছে এবং কর-পরবর্তী নিট মুনাফা গত বছরের তুলনায় ৩০% হ্রাস পেয়েছে। কর-পরবর্তী নিট মুনাফা হ্রাসের কারণ ছিল প্রোগ্রাম কর্মসূচির সম্প্রসারণ, প্রচারণামূলক কার্যক্রম পরিচালনা (সঞ্চিত প্রোগ্রাম আয়ের ব্যবহার), সদ্য প্রণীত আয়কর আইন এবং লভ্যাংশ আয়কে সমন্বিতকরণের প্রভাব।

বিবরণ	অর্থবছর ২০২২-২৩	অর্থবছর ২০২১-২২
মূল রাজস্ব	১৪৪৫,০৫,২২,১৪৫	১১০৪,৪৫,০৪,৮২৩
মোট লাভ	৪৮৭,২৯,৩০,১৫৭	৪২২,২৭,০৭,৫০৮
ট্যাক্স পরবর্তী নিট মুনাফা	৭১,৮৩,৩৩,৪৮৭	১০৩,০৪,০২,৬৮৬
মূলধন তহবিল	২৬৯,৫৩,২৫,৬৪৩	৩১৭,৪৮,১৪,১৬৮
পুঞ্জীভূত মুনাফা	৬২৯,৮২,০৬,৬১৭	৫১৮,৫৭,৩২,৫০২

**স্বতন্ত্র আর্থিক বিবরণী**

৩০ জুন, ২০২৩ তারিখ নাগাদ প্রোগ্রাম পণ্যসামগ্রীর বিক্রয় থেকে এসএমসি'র স্বতন্ত্র রাজস্ব আয় ৩০ কোটি টাকা হয়েছে। সমাপ্ত অর্থবছরের আয়-ব্যয়ের বিবরণীতে গত বছরের তুলনায় ৪১% হ্রাস সহ কর পূর্ববর্তী ঘাটতি ছিল ২.২৬ কোটি টাকা। এসএমসি'র নিজস্ব অর্থায়নে প্রোগ্রাম কার্যক্রম সম্প্রসারণের কারণে এই ঘাটতি দেখা দেয়।

প্রতিষ্ঠিত হয়। এসএমসি'র ৯৯.৯৯% সাধারণ শেয়ার রয়েছে এবং শুধুমাত্র দুটি সাধারণ শেয়ার বোর্ডের দুই সদস্যের মালিকানাধীন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট সুশাসন অনুযায়ী কোম্পানী তার অধীনস্থ নিম্নোক্ত কার্যক্রমসমূহ নিশ্চিত করেছে:

বিবরণ	অর্থবছর ২০২২-২৩	অর্থবছর ২০২১-২২
রাজস্ব	৩০,১৯,৩৪,৫৬৮	৩০,৪৯,৮১,৯৫২
অনুদানপ্রাপ্ত আয়	৫৩,৮৯,২৪,৯০৯	৪৭,৫৬,২০,৪৫৩
এসএমসি ক্লিনিক থেকে প্রাপ্ত আয়	৭,০১,৯০,১১১	৫,৩৯,৮৪,৯৩৭
কর্পোরেট আয়	৫১,৮৩,৮৩,৩২৩	৩৬,৩০,৯৫,২৩৬
মোট আয়	১৪২,৯৪,৩২,৯১১	১১৯,৭৬,৮২,৫৭৮
মোট ব্যয়	(১৪৫,২০,৩৫,২৯২)	(১১৮,১৭,০২,২৩১)
মোট (ঘাটতি) / কর প্রদানের পূর্বে উদ্ধৃত	(২,২৬,০২,৩৮১)	১,৫৯,৮০,৩৪৭

**সাবসিডিয়ারি অপারেশন (এসএমসি এন্টারপ্রাইজ লিমিটেড)**

এসএমসি অলাভজনক কার্যক্রমগুলো থেকে লাভজনক কার্যক্রমগুলোকে পৃথক করার লক্ষ্যে এসএমসি এন্টারপ্রাইজ লিমিটেড (এসএমসি ইএল) নামে একটি শেয়ার দ্বারা সীমিত প্রাইভেট লিমিটেড কোম্পানী গঠন করে। এসএমসি'র সাবসিডিয়ারি কোম্পানী হিসেবে ২০১৪ সালে এসএমসি ইএল

- সাবসিডিয়ারি কোম্পানীর বোর্ড গঠন সম্পর্কিত বিধান;
- হোল্ডিং কোম্পানীর বোর্ড সভায় সাবসিডিয়ারি কোম্পানীর বিষয়গুলো পর্যালোচনা করা হয়;
- সাবসিডিয়ারি কোম্পানীর আর্থিক বিবরণীসমূহ

সাবসিডিয়ারি এবং হোল্ডিং কোম্পানীর যৌথ নিরীক্ষা কমিটি দ্বারা পর্যালোচনা করা হয়;

প্রতিবেদনকালীন সময়ের মধ্যে, এসএমসি ইএল ১,৪১৫ কোটি টাকা নিট বিক্রয় রাজস্ব অর্জন করেছে এবং টানা কয়েক বছর ধরে রাজস্ব প্রবৃদ্ধির ধারা বজায় রেখেছে। ১৭% প্রবৃদ্ধি সহ মোট মুনাফা ছিল ৪৭০ কোটি টাকা এবং কর-পরবর্তী মুনাফা ১১২ কোটি টাকা।

বিগত কয়েক বছর যাবৎ কোম্পানী ধারাবাহিকভাবে প্রত্যক্ষ ও পরোক্ষ কর প্রদানের মাধ্যমে জাতীয় কোষাগারে উল্লেখযোগ্য অবদান রেখে চলেছে। পর্যালোচনাধীন সময়ের মধ্যে, কোম্পানী ২৩১ কোটি টাকা কর প্রদান করেছে যা ছিল আগের বছরের তুলনায় ১৯% বেশি।

২০২২-২৩ অর্থবছরে এসএমসি ফার্মাসিউটিক্যাল ব্যবসার মোট রাজস্ব আয় ছিল ১০৫ কোটি টাকা যা গত বছরের তুলনায় ২৭% বেশি। পর্যালোচনাধীন সময়ের মধ্যে, ফার্মা বিভাগ ১ মে, ২০২৩ তারিখে প্রথমবারের মতো ট্রাইফোর্স (Ceftriaxone 500 mg IM, 1 g IM Ges 1 g IV) ইনজেকশন চালু করে।

#### পরিচালক মন্ডলীর অবসর গ্রহণ এবং নির্বাচন

কোম্পানীর সংঘবিধির ৪৫তম অনুচ্ছেদ অনুযায়ী, পরিচালকমন্ডলীর এক-তৃতীয়াংশ অবসর নিবেন। পরিচালকমন্ডলীর মধ্যে তারাই অবসর নিবেন যারা বিগত নির্বাচনের পর থেকে দীর্ঘ সময় কর্মরত ছিলেন। একজন অবসরপ্রাপ্ত পরিচালক পুনঃ নির্বাচনের জন্য যোগ্য হতে পারবেন। তবে কোনো ব্যক্তি পর পর দুইবারের অধিক মেয়াদে পরিচালক হিসেবে নির্বাচনের যোগ্য হতে পারবেন না।

উপরোক্ত ধারা অনুসারে, তিনজন পরিচালক অবসর গ্রহণ করবেন (নয়জন পরিচালকের মধ্যে এক তৃতীয়াংশ)। জনাব মোহাম্মদ ফরহাদ হোসেন এফসিএ, পরিচালক হিসেবে ২০২১ সালের ৩০ মার্চে অনুষ্ঠিত ৩২তম বার্ষিক সাধারণ সভায় পুনঃনির্বাচিত হন এবং বিগত নির্বাচন পরবর্তী সময় অন্যদের তুলনায় দীর্ঘ হওয়ার কারণে ৩৫তম সভায় তিনি অবসর গ্রহণ করবেন।

তিনজন পরিচালক মন্ডলী যথাক্রমে, ড. ইয়াসমিন হেমায়াত আহমেদ, ড. জহির উদ্দিন আহমেদ এবং অধ্যাপক ড. আহমেদ মুশতাক রাজা চৌধুরী ২০২২ সালের ২৮ মার্চে অনুষ্ঠিত ৩৩তম বার্ষিক সাধারণ সভায় পরিচালক হিসেবে নিযুক্ত হন এবং টানা দুই বছর দায়িত্ব পালন করার পর ৩৫তম সভায় অবসর গ্রহণ করবেন।

এছাড়া, একই দিনে দুইজন পরিচালক অবসর গ্রহণের বিষয়ে কোম্পানীর সংঘবিধির ৪৫তম 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 যাচ্ছেন সে বিষয়ে

নিজেদের মধ্যে একমত না হলে লটারি করে সিদ্ধান্ত গৃহীত হবে।

#### কোম্পানীর চেয়ারম্যানের পুনঃনিয়োগ

কোম্পানীর আর্টিকেলস অব অ্যাসোসিয়েশনের ৩৯তম ধারা অনুসারে, এসএমসি'র পরিচালনা পর্ষদ ২০২৩ সালের ৩০ আগস্ট অনুষ্ঠিত ২২৪তম সভায় জনাব ওয়ালিউল ইসলামকে কোম্পানীর চেয়ারম্যান হিসাবে পুনঃনির্বাচিত করেন। জনাব ওয়ালিউল ইসলাম কোম্পানীর চেয়ারম্যান হিসেবে আরও দুই বছরের জন্য নিযুক্ত হন যা ২০২৩ সালের ৭ সেপ্টেম্বর থেকে কার্যকর হয়।

#### এসএমসি'র নতুন ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা

এসএমসি'র উপ-ব্যবস্থাপনা পরিচালক জনাব তছলিম উদ্দিন খান ২০২৩ সালের ১ জানুয়ারী থেকে ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা হিসেবে পদোন্নতি লাভ করেন। এসএমসি'র প্রাক্তন ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা জনাব মোঃ আলী রেজা খানের চুক্তির মেয়াদ শেষ হওয়ার কারণে তিনি ২০২২ সালের সেপ্টেম্বরের ১ তারিখ হতে কোম্পানীর ভারপ্রাপ্ত ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা হিসেবে দায়িত্ব পালন করেন।

#### সংবিধিবদ্ধ নিরীক্ষক নিয়োগ

কোম্পানীর আর্টিকেলস অব অ্যাসোসিয়েশনের ৪৯তম ধারা এবং কোম্পানী আইন ১৯৯৪ এর ২১০-২১৩ বিধান অনুযায়ী কোম্পানীর সংবিধিবদ্ধ নিরীক্ষক চার্টার্ড একাউন্ট্যান্টস মেসার্স একনাবিন ৩৫তম বার্ষিক সাধারণ সভায় অবসর নেবেন এবং পুনঃনিয়োগের যোগ্য হওয়ায় পুনঃনিয়োগের জন্য প্রস্তাব পেশ করবেন। ২৮ নভেম্বর, ২০২৩ তারিখে অনুষ্ঠিত ২২৬তম বোর্ড সভায় কোম্পানীর পরিচালনা পর্ষদ ২০২৩-২৪ অর্থবছরের জন্য অডিট ফি (ভ্যাট ব্যতীত) ৩,৩০,৭৫০/- টাকা বাবদ চার্টার্ড একাউন্ট্যান্টস মেসার্স একনাবিনকে পুনঃনিয়োগের সুপারিশ করেন। উক্ত নিরীক্ষকগণ পরবর্তী বার্ষিক সভা পর্যন্ত তাদের কার্যক্রম চালিয়ে যাবে।

কোম্পানীর সংবিধিবদ্ধ নিরীক্ষকগণ ২০২৩ সালের ৩০ জুন সমাপ্ত অর্থবছরের আর্থিক বিবরণীসমূহের উপর একটি প্রতিবেদন পেশ করেছে যা বার্ষিক প্রতিবেদনে বর্ণিত রয়েছে।

উক্ত প্রতিবেদনে সংবিধিবদ্ধ নিরীক্ষকগণের কোন আপত্তি, দ্বিধা, বিরূপ মন্তব্য, বা পর্যবেক্ষণ ছিল না।

#### প্রাতিষ্ঠানিক সুশাসন

এসএমসি মনে করে যে কোম্পানীতে একটি পরিমার্জিত প্রাতিষ্ঠানিক সুশাসনের ব্যবস্থাপনার প্রয়োজনে যেখানে সঠিক ও সুষ্ঠু ব্যবস্থাপনার প্রয়োগ ও অনুশীলন এবং স্বচ্ছতা ও নৈতিক নীতিমালা অনুসরণ করে আইনের সাথে সংগতি রেখে সর্বোচ্চ



মানদণ্ড বজায় রাখার মাধ্যমে ব্যবসায়িক কার্যক্রম পরিচালিত হয়ে থাকে। এসএমসি আরও বিশ্বাস করে যে, সুশাসন প্রাতিষ্ঠানিক নীতিমালা এবং কৌশলগত বিষয়ে স্বচ্ছতা প্রদান করে যা ব্যবস্থাপনা কর্তৃপক্ষকে সঠিক সিদ্ধান্ত গ্রহণে সহায়তা করে থাকে। এটি আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাকে আরও শক্তিশালী করার মাধ্যমে আমাদের সকল স্টেকহোল্ডারদের সাথে ইতিবাচক সম্পর্ক গড়ে তুলতে সহায়তা করে।

কোম্পানীর পরিচালনা পর্যদ নিবিড়ভাবে কোম্পানীর দীর্ঘমেয়াদী কৌশল, কর্মদক্ষতা, সংস্কৃতি এবং মূল্যবোধের বিকাশ ও সুশাসন নিশ্চিত করে থাকে। আমরা বিশ্বাস করি যে কোম্পানী গুরুত্বপূর্ণ ব্যবসায়িক কার্যক্রম ও জটিলতা সম্পর্কে বাহ্যিক দৃষ্টিভঙ্গির সমন্বয়ে একটি মূল্যবান এবং বৈচিত্রপূর্ণ সমাধান দিয়ে থাকে যা শৃঙ্খলা ও যথার্থতা নিশ্চিত করে বড় ধরনের সিদ্ধান্ত গ্রহণে সহায়তা করে।

স্বচ্ছতা ও জবাবদিহিতা নিশ্চিত করার লক্ষ্যে সুশাসনের অংশ হিসেবে, কোম্পানীর রয়েছে বোর্ড উপ-কমিটি, নিরীক্ষা কমিটি, ম্যানেজমেন্ট কমিটি, আভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স বিভাগ সহ বিবিধ কার্যকরী কমিটি। নিরীক্ষা কমিটি হলো সংস্থার একটি স্তম্ভ যা আর্থিক রক্ষণাবেক্ষণ, তত্ত্বাবধান এবং কমপ্লায়েন্স নিশ্চিত করে। নিরীক্ষা কমিটির ভূমিকা হলো ঝুঁকি ব্যবস্থাপনা মূল্যায়ণ, আর্থিক প্রতিবেদনের যথার্থতা নিশ্চিত করা এবং কোম্পানীর আর্থিক বিবরণীর নির্ভরযোগ্যতাকে শক্তিশালী করা ও সুরক্ষিত রাখা। কমিটিতে পাঁচজন সদস্য রয়েছে। নিরীক্ষা কমিটি বোর্ডের কাছে দায়বদ্ধ, এবং কমিটির দায়িত্ব ও কর্তব্যসমূহ লিখিতভাবে নিরীক্ষা কমিটির সনদে বোর্ড কর্তৃক স্পষ্টভাবে বর্ণিত হয়েছে।

উপরন্তু, আভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স কর্মীবাহিনী স্বাধীনভাবে নিরীক্ষা কার্যক্রম পর্যবেক্ষণ ও মূল্যায়ন করার পাশাপাশি আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা, ঝুঁকি ব্যবস্থাপনা সংক্রান্ত কার্যক্রম পর্যালোচনা করে থাকে। এই সকল কার্যক্রমই বোর্ড অনুমোদিত আভ্যন্তরীণ নিরীক্ষা ম্যানুয়াল দ্বারা নিয়ন্ত্রিত হয়ে থাকে। এই কার্যক্রম শুধুমাত্র উন্নয়নের সম্ভাব্য ক্ষেত্রগুলোকেই চিহ্নিত করে না বরং কাজের উৎকর্ষতা এবং ঝুঁকি নিরসনে কোম্পানীর দৃঢ় অঙ্গীকার ও প্রতিশ্রুতিকেও শক্তিশালী করে।

এসএমসি বিবিধ নিয়ন্ত্রণ পদ্ধতি গ্রহণ ও বাস্তবায়ন করে থাকে যা সুশাসন ব্যবস্থাকে আরও সুদৃঢ় করে। এর মধ্যে রয়েছে আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা, তথ্য ব্যবস্থাপনা এবং কমপ্লায়েন্স কাঠামো গঠন। এইসকল উপাদানগুলোর সমন্বয়ে একটি বহুমুখী প্রতিরক্ষা পদ্ধতি গঠিত হয় যা অপারেশনাল ত্রুটিগুলো প্রতিরোধ করে ধারাবাহিক উন্নয়নের সংস্কৃতিকে বিকশিত করে। এটি কর্পোরেট সুশাসনের সর্বোচ্চ মান বজায় রেখে স্টেকহোল্ডারদের আস্থা এবং দীর্ঘমেয়াদী স্থায়ীত্ব নিশ্চিত করার লক্ষ্যে কোম্পানীর নিরলস প্রচেষ্টার প্রতিফলন ঘটায়।

বার্ষিক প্রতিবেদনের ৮৬তম পৃষ্ঠায় প্রাতিষ্ঠানিক সুশাসন প্রতিবেদন শীর্ষক একটি পৃথক অধ্যায়ে বিস্তারিত আলোচনা করা হয়েছে।

## মানব সম্পদ ব্যবস্থাপনা

এসএমসি মানব সম্পদ ব্যবস্থাপনার ক্ষেত্রে সদা তৎপর, এবং দক্ষ কর্মীদের কল্যাণে সর্বাধিক অগ্রাধিকার দিয়ে থাকে। একটি নিয়মতান্ত্রিক সংস্থা হিসেবে ব্যবস্থাপনা কর্তৃপক্ষ অ্যাডমিনিস্ট্রেটিভ এন্ড সার্ভিস ম্যানুয়াল-এ নির্ধারিত নীতিমালা এবং পদ্ধতিসমূহ সঠিকভাবে মেনে চলে। ব্যবস্থাপনা কর্তৃপক্ষ এবং এসএমসি বোর্ড জেডার সমতা বজায় রাখার উপর গুরুত্বারোপ করে একটি জেডার নীতি গ্রহণ ও অনুসরণ করে। কোম্পানী বিশ্বাস করে যে সুদক্ষ কর্মীরা প্রতিষ্ঠানের সাফল্য অর্জনে গুরুত্বপূর্ণ ভূমিকা রাখে এবং একটি নিরাপদ ও সুষ্ঠু কাজের পরিবেশ নিশ্চিত করতে এসএমসি প্রতিশ্রুতিবদ্ধ। ২০২৩ সালের ৩০ জুন পর্যন্ত এসএমসি'র কর্মী সংখ্যা ছিল মোট ৩৬৫ জন যার মধ্যে মহিলা কর্মীর সংখ্যা ছিল ১০৭ জন (২৯%)। এসএমসি কর্মীদের আকর্ষণীয় বেতন-ভাতা প্রদান এবং পেশাদারিত্ব, উৎপাদন দক্ষতা বৃদ্ধি, জ্ঞান ও প্রতিভার বিকাশ, নেতৃত্ব প্রদানের ক্ষমতা বৃদ্ধির পাশাপাশি ব্যক্তিগত ও পেশাগত দক্ষতা বৃদ্ধিতে অনুপ্রাণিত করে।

বার্ষিক প্রতিবেদনের ৭৪ তম পৃষ্ঠায় মানব সম্পদ ব্যবস্থাপনা নামক একটি পৃথক অধ্যায়ে এই বিষয়ে বিস্তারিত আলোচনা করা হয়েছে।

## নির্মাণ ও প্রকৌশল বিভাগ

নির্মাণ ও প্রকৌশল বিভাগ এসএমসি এবং এর সহযোগী প্রতিষ্ঠান এসএমসি ইএল উভয়কে অবকাঠামোগত উন্নয়নের ক্ষেত্রে উল্লেখযোগ্য পরিষেবা প্রদান করছে। প্রতিবেদনকালীন সময়ে ভালুকা ফ্যাক্টরির খাদ্যে উৎপাদন বিভাগের অধীনে টেস্ট মি এবং বোল্টের উৎপাদন ক্ষমতা বৃদ্ধির লক্ষ্যে বিভাগ সফলভাবে বিবিধ কাঠামোগত স্থাপনা নির্মাণ করেছে। কুমিল্লার হেলথ অ্যান্ড হাইজিন ফ্যাক্টরিতে কাঁচামাল এবং প্যাকেজিং সামগ্রী সংরক্ষণের জন্য ২৫০টন ক্ষমতাসম্পন্ন থ্রিফেব্রিকেটেডস্টিল-এর গুদামঘর নির্মাণ সম্পন্ন হয়েছে।

গাজীপুরের ভবানীপুরে অবস্থিত এফএমসিজি প্রকল্পের কাজ শুরু হয়েছে যেখানে প্রতিটি তলায় ৩০,০০০ বর্গফুট বিশিষ্ট একটি ৬তলা উৎপাদন ভবন রয়েছে এবং ২৯,০০০ বর্গ ফুট আয়তনের একটি কেন্দ্রীয় গুদামঘর রয়েছে। যেখানে ৯ স্তর-বিশিষ্ট একটি আধুনিক প্যালেট র‍্যাকিং পদ্ধতি সুষ্ঠুভাবে অপারেশনাল কার্যক্রম পরিচালনার জন্য স্থাপন করা হয়েছে।

## তথ্য ও যোগাযোগ প্রযুক্তি (আইসিটি) বিভাগ

এসএমসি এবং এর সহযোগী প্রতিষ্ঠানের ব্যবসায়িক কার্যক্রম স্বয়ংক্রিয়করণের অংশ হিসেবে আইসিটি বিভাগ সর্বদা উদ্ভাবন,

প্রযুক্তি এবং সুযোগ-সুবিধা প্রণয়ন ও বাস্তবায়নে সক্রিয় ভূমিকা রেখেছে। প্রতিবেদনকালীন সময়ে গুরুত্বপূর্ণ কার্যক্রমগুলোর মধ্যে রয়েছে জিএসএম-দের বিক্রয় এবং প্রোগ্রাম কার্যক্রম চিহ্নিত করার জন্য গোল্ড স্টার মনিটরিং সিস্টেম (জিএসএমএস), রোজ স্টার প্রোগ্রাম কার্যক্রমের জন্য রোজ স্টার ইলেকট্রনিক রিপোর্টিং সফটওয়্যার (আরএসইআরএস) বাস্তবায়ন, হেড অফিসের ডেটা সেন্টারের সার্বিক নিরাপত্তা সেবা জোরদার করার জন্য সেকেন্ডারি ফায়ারওয়াল এবং কোর সুইচ সিস্টেম প্রস্তুত এবং স্থাপন।

## ২০২৩-২৪ অর্থবছরের কর্ম পরিকল্পনা

আগামীর পথচলায় সুস্থ, সুখী এবং সমৃদ্ধিশীল পরিবার গঠনে নিরলস প্রচেষ্টা অব্যাহত রাখতে আমরা দৃঢ়প্রতিজ্ঞ। প্রত্যাশার সীমা অতিক্রম করে আমাদের ভিশনকে আরো বিস্তৃত করে সম্ভাবনার নতুন দিগন্তে অগ্রসর হতে হবে। পূর্ববর্তী বছরের মতো এসএমসি ধারাবাহিকভাবে তার মিশন ও ভিশনের সাথে সঙ্গতি রেখে বিভিন্ন উদ্ভাবনী প্রোগ্রাম কর্মসূচি গ্রহণ ও বাস্তবায়নের মাধ্যমে জনস্বাস্থ্য উন্নয়নের ক্ষেত্রে সর্বদা গুরুত্বারোপ করে আসছে। দক্ষতার সাথে বর্তমান কার্যক্রম পরিচালনার লক্ষ্যে ব্যবস্থাপনা কর্তৃপক্ষ ২০২৩-২৪ অর্থবছরে নিম্নোক্ত পদক্ষেপসমূহ অন্তর্ভুক্ত করার বিষয়ে বিশেষ গুরুত্ব প্রদান করবে:

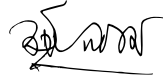
- গোল্ড স্টারের আওতাধীন উপজেলার প্যারামেডিক এবং ব্লু-স্টার সেবাপ্রদানকারীদের মাধ্যমে গর্ভকালীন যত্ন সেবায় মাল্টিপল মাইক্রোনিউট্রিয়েন্ট সাপ্লিমেন্ট এবং ক্যালসিয়াম ট্যাবলেট সংযুক্ত করা।
- এসএমসি ক্লিনিক সংলগ্ন নগর এলাকাগুলোতে নিম্ন আয়ের জনগোষ্ঠীর মাঝে দীর্ঘস্থায়ী জন্ম নিয়ন্ত্রণ পদ্ধতি (এলএপিএম) সেবা প্রচার করা।
- ৫টি সিটি কর্পোরেশনের আওতাভুক্ত এলাকায় গোল্ড স্টার প্রোগ্রাম সম্প্রসারণ।

- প্রায় ১,০০০জন ব্লু-স্টার, ৫০০জন গ্রীন স্টার, ৫০জন পিঙ্ক স্টার, ৫০জন রোজ স্টার এবং ২৬৮জন গোল্ড স্টার সদস্য অন্তর্ভুক্ত করার মাধ্যমে স্টার নেটওয়ার্ককে সম্প্রসারণ।
- এসএমসির নিজস্ব অর্থায়নে ৮টি নতুন উপজেলায় গোল্ড স্টার কর্মসূচির সম্প্রসারণ
- ক্লিনিক সেবা সম্প্রসারণ

কোম্পানীর পরিচালনা পর্ষদ প্রতিকূল পরিস্থিতিতেও উল্লেখযোগ্য অবদান ও প্রশংসনীয় সাফল্যের জন্য কোম্পানীর ব্যবস্থাপনাবৃন্দ ও সকল কর্মীদের নিষ্ঠা, কঠোর পরিশ্রম ও দৃঢ় প্রতিশ্রুতির প্রশংসা জ্ঞাপন করছে। প্রতিবেদনকালীন সময়ে অটল সমর্থন ও সঠিক দিক-নির্দেশনার জন্য স্টেকহোল্ডার এবং নিয়ন্ত্রক কর্তৃপক্ষের প্রতিও কৃতজ্ঞতা প্রকাশ করছে।

ঐক্যবদ্ধভাবে কাজ করে, ইতিবাচক পরিবর্তন আনার মাধ্যমে আগামী প্রজন্মের জন্য সুখী ও সমৃদ্ধিশীল পরিবার গঠন তথা সামাজিক কল্যাণের লক্ষ্যে একটি সুন্দর ও স্বাস্থ্যকর পরিবেশ গড়ে তুলতে আমাদের যাত্রা অব্যাহত থাকবে।

কোম্পানীর পরিচালনা পরিষদের পক্ষ থেকে,



## ওয়ালিউল ইসলাম

চেয়ারম্যান, বোর্ড অব ডিরেক্টরস  
সোশ্যাল মার্কেটিং কোম্পানী

# PROGRAM ACTIVITIES



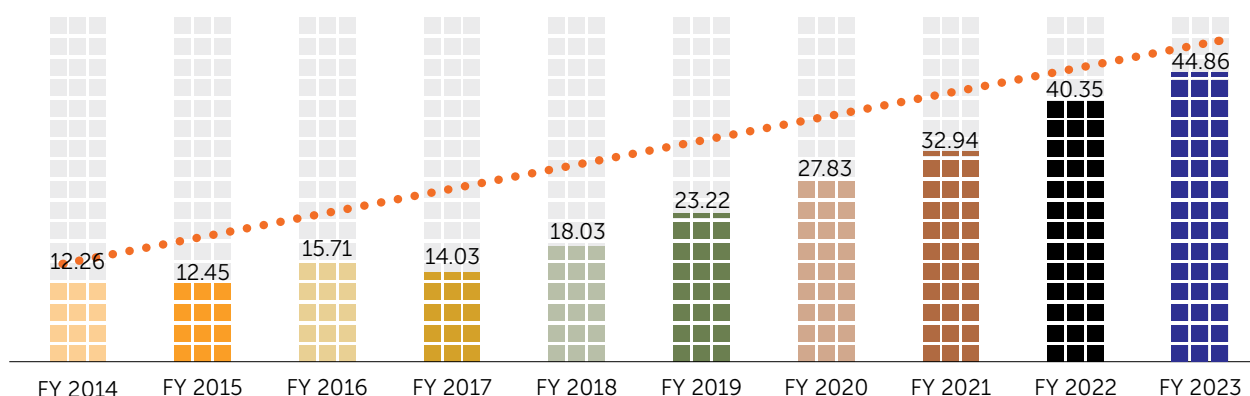
SOCIAL MARKETING COMPANY

## Contribution of SMC to the National Health Program

The name 'SMC' is an integral part of the national health and family planning program in achieving the goals and objectives of health and population in Bangladesh. Among the modern contraceptive users, about four couples out of ten use SMC branded contraceptives<sup>1</sup>. According to the Bangladesh Demographic and Health Survey (BDHS), 2017-18, SMC has remarkably contributed to increase Contraceptive Prevalence Rate (CPR) at the national level by sharing 47% pills, 62% condoms and 33% injectables. According to DKT International, USA, SMC was ranked as the third-largest contraceptive social marketing organization globally in 2022 in terms of the numbers of Couple-years of Protection (CYPs) delivered.

in the country enjoying 22% of the market share. A study shows that about 82% of rural adolescent girls used sanitary napkin in Gold Star program areas of SMC while 64% of the adolescent girls used it in non-program areas during their last menstruation<sup>2</sup>. It also indicates that SMC's presence in rural areas contributes to expand use of sanitary napkin among adolescents. In Bangladesh, 67%<sup>3</sup> of tuberculosis (TB) cases were detected in 2017 which was 50% in 2014. Blue Star providers are contributing in screening presumptive TB and referring to the nearest service delivery center for diagnosis. BSPs referred a total of 268,025 presumptive TB to the designated health facilities for TB testing during the reporting period.

MNP sales trend (in million sachets)



It goes without saying that ORSaline-N the flagship brand of SMC and one of the most trusted brands of the country saves millions of lives every year. The market for ORS is being driven by growth in two areas-: treatment of dehydration caused by diarrhea and dehydration caused by excessive sweating.

SMC Zinc has been introduced as an adjunct therapy to treat child diarrhea since 2008. According to the BDHS 2022 (preliminary report), 43% 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 increasing trend of sales from 12.26 million to 44.89 million sachets (266% sales growth) in the last ten years due to its extensive demand generation efforts. SMC branded sanitary napkin, Joya, has become the second highest selling brand (Nielsen study 2019)

## Program Activities by Components

SMC has been focusing on family planning, maternal and child health, adolescent health, nutrition, and tuberculosis through different program interventions. 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.

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.

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

<sup>2</sup> Assessment of Adolescent Health Campaign, SMC, 2023

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

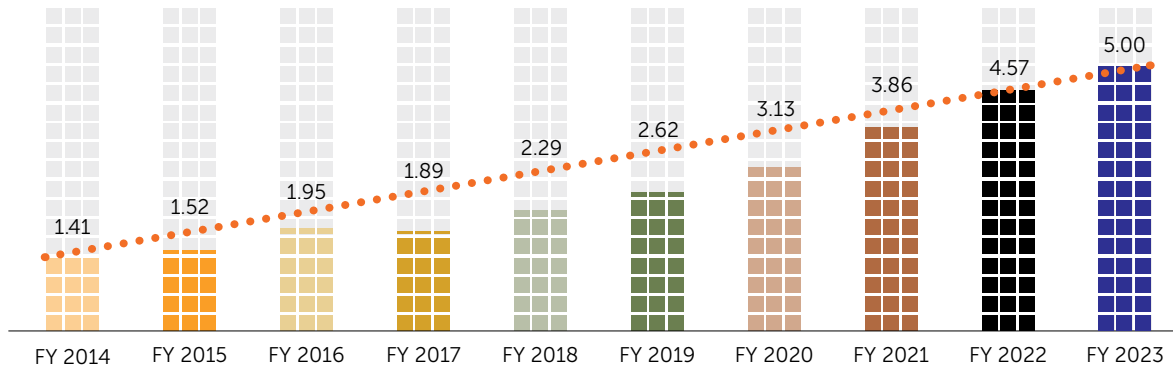
## Product Portfolio of Program Division

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, three are donated by USAID (SOMA-JECT, 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 adopted a

that are offering Long-acting Reversible Contraceptives (LARC) in the country through its Pink Star providers. The following table shows the sales achievement of donated contraceptives during the reporting period.

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

### Injectables sales trend (in million vials)



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 five million vials of injectable contraceptives through its Star networks (Blue Star, Green Star, and Pink Star) and NGO providers resulting 9% higher sales volume than that of the last year. The graph is showing last ten years injectable sales status. SMC observed 255% sales growth over the last ten years. This growth indicates the contribution of SMC in the field of family planning to the national program. SMC is the only private source

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 introduced MoniMix Plus - a micronutrient powder (MNP) for adolescents aged between 5 to 12 years for their nutritional needs and proper growth. SMC also has FullCare - a multiple micronutrient supplements (MMS) to improve the nutritional status of pregnant women and reduce low birth weight (LBW) babies. The company 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 following table shows sales achievement of nutrition products:

Table 1: Sales Achievement and CYP of Donated Contraceptives during FY July 2022 to June 2023

Donated products	Sales target of FY 2022-2023	Achievement in FY 2022-2023	Achievement against target (%)	Achievement of FY 2021-2022	Growth against last year's achievement (%)
Injectables (vials)	4,932,252	4,999,932	101%	4,573,402	9%
Relax IUD (pieces)	8,573	8,758	102%	8,073	8%
i plant Implant (sets)	4,374	4,546	104%	4,181	9%
Couple-years of Protection (CYP) <sup>4</sup>	1,289,120	1,307,545	101%	1,196,374	9%

<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 conversion factor is used by USAID, UNFPA and other international organizations.

Table 2: Sales Status of Nutrition Products of SMC during July 2022 to June 2023

Products	Sales target of FY 2022-2023	Achievement in FY 2022-2023	Achievement against target (%)	Achievement of FY 2021-2022	Growth against last year's achievement(%)
MoniMix-MNP (sachets)	39,251,292	39,965,931	102%	35,991,595	11%
MoniMix Plus-MNP (sachets)	4,840,000	4,892,490	101%	4,363,650	12%
FullCare-MMS (blister)	1,633,536	2,033,199	124%	1,317,522	54%
SMC Zinc (blisters)	841,223	853,482	101%	808,641	6%
Vermicid-anthelminthic (pieces)	7,257,600	8,669,625	119%	6,692,660	30%
Easy Clean (packets)	77,440	62,295	80%	79,740	-22%

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 35% of delivery takes place at home<sup>5</sup>. 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.

group sessions, interpersonal communications (IPC), adolescent health sessions and courtyard sessions which is 17% higher than the last year performance.

Along with rural areas, SMC initiated to implement Gold Star model in the urban settings to meet the demand of the low-income urban population. The aim is to increase awareness and accessibility of public health products in peri-urban areas. This is providing opportunity to the peri-urban women to become entrepreneurs/Gold Star Members. Currently, SMC is implementing the urban Gold Star model in 7 areas under Dhaka, Chattogram, Barishal and Sylhet City Corporations. SMC has planned

Table 3: Sales achievement maternal and reproductive health products during July 2022 to June 2023

Products	Sales target of FY 2022-2023	Achievement in FY 2022-2023	Achievement against target (%)	Achievement of FY 2021-2022	Growth against last year's achievement (%)
Safety Kit –Safe Delivery kit (packets)	67,024	54,795	82%	62,848	-13% <sup>6</sup>
Quick Test- Pregnancy Test Device (pieces)	116,180	129,510	111%	104,621	24%

## Community Mobilization Activities

SMC is implementing the Community Mobilization program in 104 upazilas of 32 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 towards healthy practices through courtyard meetings, interpersonal communication and school health sessions.

The target audiences are Married Women of Reproductive Age (MWRA), caregivers of under-five children, adolescent boys and girls, newlyweds, and community influentials. SMC reached a total of 1.54 million individuals during FY 2022-23 by delivering health messages through

to expand this initiative every year by utilizing donor and own resources to reach more beneficiaries.

Courtyard meetings with Married Women of Reproductive Age (MWRA) and caregivers of under-five children focuses on Healthy Timing and Spacing of Pregnancy (HTSP), the first 1,000 days of care (pregnancy care, safe delivery, childbirth, postnatal care and 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. Implementing partners conducted group meetings using an audio player and flipchart to disseminate health messages among rural women. Approximately 10-15 participants attend in a session.

<sup>5</sup> This program intervention is to increase hand washing practice among school going students and adolescents. Supplier unable to provide the required quantity of paper soap due to LC related problem.

<sup>6</sup> SMC promotes institutional delivery which is gradually increasing.

Table 4: Target audiences reached with health messages through community mobilization activities during July 2022 to June 2023

Target groups	Number contact target in FY 2022-2023	Number contacted in FY 2022-2023		%	Number contacted in FY 2021-2022		Growth against last year's achievement (%)
		Sessions	participants		Sessions	participants	
Married women of reproductive age	758,580	58,826	747,790	99%	54,565	666,413	12%
Caregivers	324,039	58,826	320,483	99%	54,565	288,273	11%
Adolescents (including special campaign)	460,600	11,715	467,436	101%	9,363	357,710	31%
Newlyweds	7,028	6,839	6,839	97%	5,416	5,416	26%

The adolescent health program is one of the flagship programs of SMC. The adolescent health sessions are organized in order to increase Adolescent Sexual & Reproductive Health (ASRH) knowledge and skills for adoption of healthy behaviors among themselves, their families, and peers.

**Information package include**

- legal age at marriage,
- early pregnancy, family planning methods,
- nutrition, menstrual management, puberty,
- drug abuse, hygiene, hand washing, de-worming,
- gender-based violence

Health sessions are conducted at educational institutions (schools, colleges & madrasas) and at the community level to raise awareness on different adolescent's health issues for adolescent boys and girls. The sessions were conducted by the Field Supervisors (FS) or trained Community Mobilizers (CM). Approximately 40 to 50 adolescents attend in each session. During the session [www.healthtalkbd.com](http://www.healthtalkbd.com) website and Tele-Jiggasha short code no. **16387** are promoted among the participants for further information and inquiries.

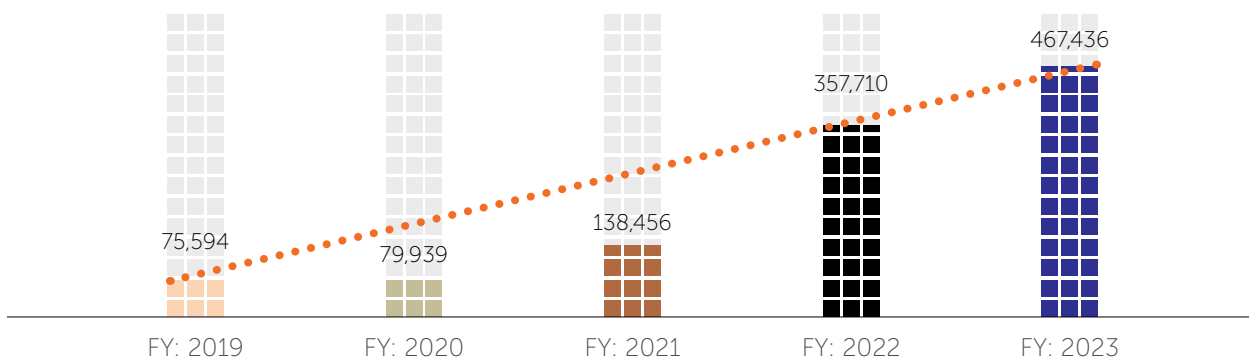
Until recently, a large number of adolescents are out of reach despite ongoing adolescent health programs. Therefore, SMC conducted special adolescent health campaigns in 2023 to reach more adolescents. This



special campaign provided opportunities to adolescents regarding easy access to quality and comprehensive adolescent health messages and services. The duration of the campaign was four months from May to August 2023. SMC community mobilization partners implemented this campaign at the educational institution and community level. A study shows that about 82% of adolescent girls used sanitary napkin in SMC program areas while 64% used it during their last menstruation in the non-program areas.<sup>7</sup>

Implementing partners organized Maa Somabesh at the intervention upazilas with pregnant women during this reporting period. Major health issues of the Somabesh

### Adolescents reached through community mobilization program



<sup>7</sup> Assessment of Adolescent Health Campaign, SMC, 2023, conducted by Research team, SMC

are the importance of health check-ups for pregnant women, danger signs during pregnancy, postnatal care, health cards for further check-ups, care during pregnancy and child nutrition. The event also focused on exclusive breastfeeding, breastfeeding practice, supplementary feeding to children after 6 months of age, the importance of micronutrient powder for children and adolescents, consequences of iron deficiency anemia etc. In this reporting period, the implementing partners organized 1,127 Pregnant Maa Somabesh and a total of 16,563 pregnant women attended.



Implementing partners disseminate health information among the newlyweds on family planning with a special focus on delaying the first pregnancy, Healthy Timing and Spacing of Pregnancy (HTSP), knowledge on the emergency contraceptive pill (ECP), and menstrual hygiene management. They also organized implementing advocacy meetings with 3,615 community influentials to sensitize and seek their support for implementing community mobilization and adolescent health activities.

### Gold Star Network

The Gold Star Network has become, over the years, a vibrant platform for potential women to grow as entrepreneurs in their community. These women, branded as Gold Star Member (GSM). The objective of this network is to generate demand within communities for essential public health products by disseminating health information, and to empower GSMs to earn income by supplying these 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. GSMs also refer potential clients for long-acting and permanent contraceptive methods (LAPCMs) and presumptive TB patients to the nearest service delivery facilities.

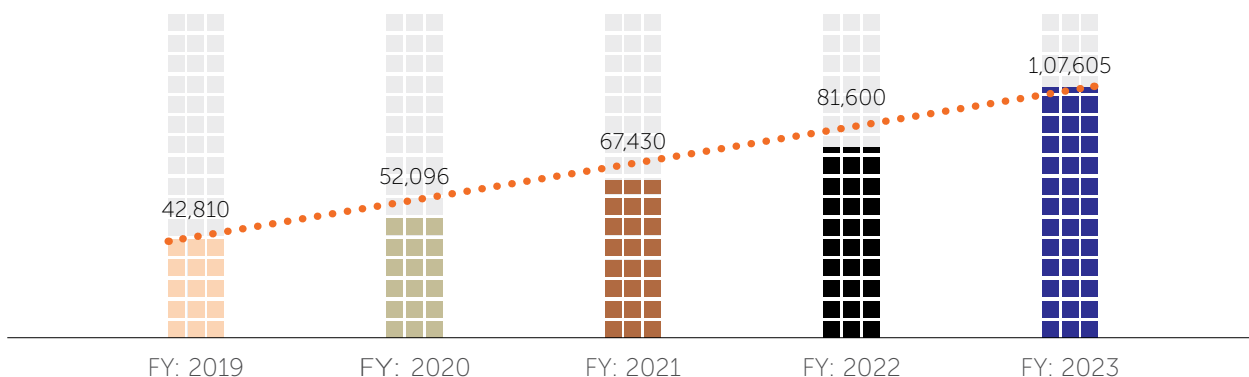


During the reporting period, a total of 3,232 GSMs has been actively engaged in both rural and urban areas and conducted different activities to adopt healthy behaviors in the community. They sold products worth Tk. 347.78 million. The sales revenue generated by the GSMs in the reporting year was 51% higher than that of the previous year. The table shows the expansion number of GSM along with total sales revenue generated by them over the last five years.

Number of Gold Star members and total sales revenue generated by GSMs		
Fiscal year	GSM #	Total sales revenue (in million)
FY 2018-19	2,217	94.9
FY 2019-20	2,405	125.3
FY 2020-21	2,525	170.3
FY 2021-22	2,818	229.9
FY 2022-23	3,232	347.8



## Average annual sales of a GSM (in taka)



SMC expanded a total of 1,015 GSMs (47% increased) and total sales revenue generated by GSMs also increased from 94.9 million to 347.8 million (266% increased) over the last five years. The graph shows annual average sale of a GSM which also shows an increasing trend. In FY 2022-23, annual average sale of a GSM is Tk 107,605 resulting 32% higher than the last year.

A recent study conducted among 400 GSMs, reveals that over the last three months, on an average, GSM's monthly products sales amount is Tk 11,330 and they earned Tk 3,152 from the product sale in each month. GSMs also offer health care services including measuring blood pressure, weight, and blood sugar levels. On an average each GSM earns Tk 325 by measuring BP, Tk 210 by measuring weight and Tk 357 by measuring blood sugar in each month. These additional services not only are creating opportunities for the communities to receive services at door-step but also allow GSMs to increase their earnings.<sup>8</sup>

SMC organized 11 experience sharing meetings with Gold Star Members to improve skills and efficiency of GSMs, continue to develop them and learn new things. A total of 2,444 GSMs from four implementing partners attended at the meetings.



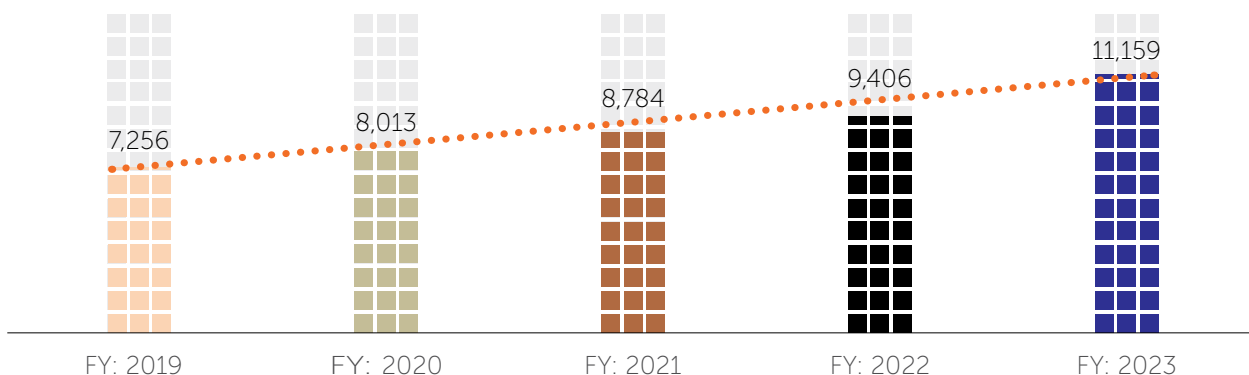
## Blue Star Network

It is a network of non-graduate medical practitioners (NGMPs) who are offering family planning injectable services, growth monitoring and promotion (GMP) to children, nutrition counseling, basic pregnancy care services 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 for offering quality services by them. 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 assistances.

SMC expanded the Blue Star Providers (BSPs) by providing basic training to 1,617 NGMPs in FY 2022-2023. Besides, 3,591 existing BSPs received refresher training. SMC provided training and GMP equipment for the smooth implementation of the services. Currently around 7,800 BSPs are offering GMP services to under-five children in their community. The providers refer presumptive TB, potential long-acting and permanent method clients and severely sick children to the nearest designated service delivery center. The total number of BSPs increased from 9,406 in FY 2021-2022 to 11,159 in FY 2022-2023. The graph shows the number of BSP expansion over the last five years. SMC expanded its Blue Star network providers from 7,256 to 11,159 (54% increased) during the last five years.

<sup>8</sup> Availability Study of SMC and its Competitor Products, among the Network Providers, conducted by The Nielsen Company Limited, 2023

## Expansion of Blue Star providers



Blue Star providers organized a special event 'Maa Shomabesh' as a part of nutritional campaign in different areas in order to create awareness among parents/ caregivers on the nutritional issues and ultimately motivate them to adopt healthier food habits and feed nutrient-rich foods to their children. The objectives of the campaign were: to improve mother's knowledge on nutrition and child care, provide micronutrient supplementation (MoniMix) for addressing IDA, improve mother's knowledge on healthy behavior and feeding practices and promote GMP services and create awareness among the parents of the children under 5 years about the importance of growth monitoring by their own initiative. During this year, BSPs have organized a total of 297 events throughout the country where approximately 15,788 parents attended with their children.



SMC conducted 5 Experience Sharing and Performance Review Meetings with 1,545 BSPs in different areas to share their experiences and best practices and gather opinions from them to improve program performances. SMC recognized 47 good performers by distributing crests for their contribution and outstanding

performance over the last year. The meetings were more instrumental in mutual learning and increasing the motivation of BSPs which led to improve overall program performance in the future.

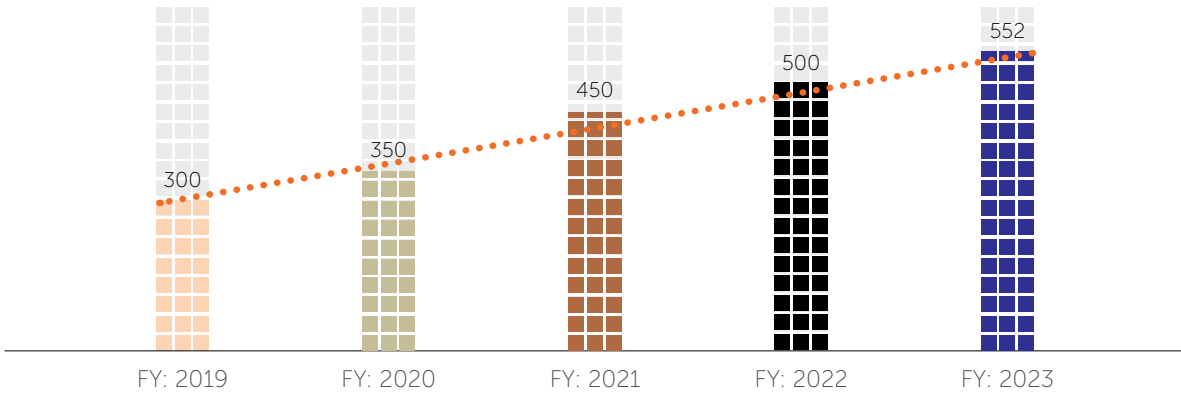


## Pink Star Network

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 in the private sector. 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 76 providers have received basic training on LARC during the reporting period. The total number of PSPs increased from 500 in FY 2021-2022 to 552 in FY 2022-2023. Over the last five years, SMC expanded Pink Star providers from 300 to 552 (84% increased). 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

## Expansion of Pink Star Providers

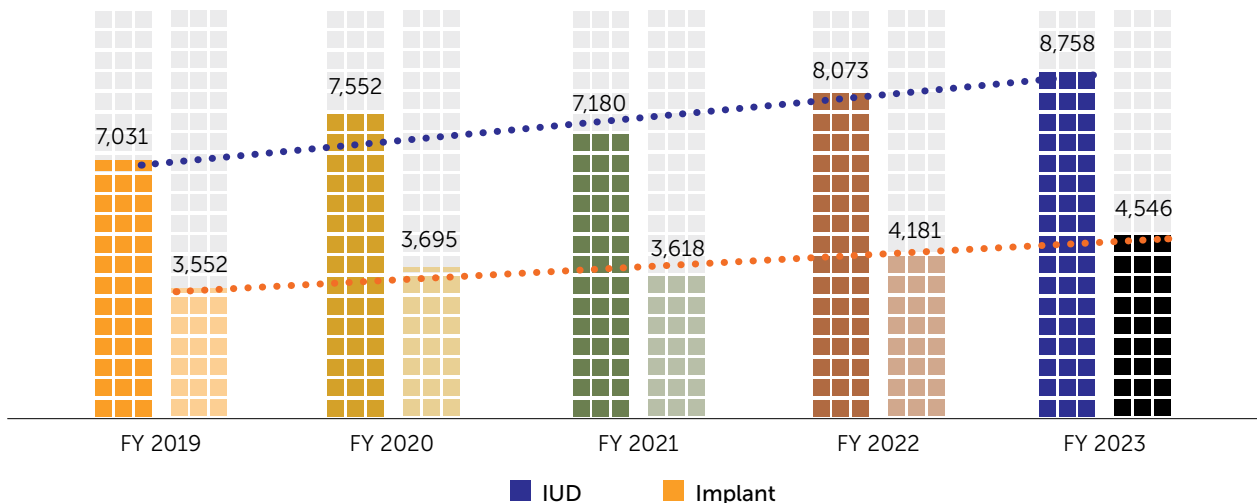


counsel pregnant mothers about postpartum family planning methods. During the reporting period, SMC distributed 13,304 LARC methods (8,758 IUDs and 4,546 implants) to the PSPs. The graphs show IUD and Implant

sold over the last five years. 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 eight experience sharing meetings with more than 400 OBGYNs. Besides, SMC participated in five scientific conferences organized by OGSB for promoting LARC and MMS for pregnant women in the private sector.



## Sales trend of IUD (in pieces) and Implant (in sets)



## Green Star Network

A network of more than 4,928 pharmacy and public health product sellers who offer follow-up contraceptive 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 2023, SMC provided basic training to 796 pharmacy salesmen to bring them under the Green Star Network across the country. A total of 1,660 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 presumptive TB and LARC clients to the appropriate health facility, etc. The total number of GSPs increased from 4,406 in FY 2021-2022 to 4,928 in FY 2022-2023. 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 and recognized good performers 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, four such meetings were held with the GSPs where 920 GSPs attended the meeting from different districts. In this meeting, SMC recognized a total of 30 GSPs for their outstanding performances in the last year.



## Rose Star Network

Rose Star is a network of 203 pediatricians, initiated in 2022, 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 children through GMP services in the private sector. SMC organized seven orientation and training programs for Pediatricians and their Assistants on GMP services under the Rose Star program at 14 districts during this reporting period. A total of 99 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 by providing signboards, banners, posters, leaflets, and brochures. In this year the network offered GMP services to 2,884 under 5 children where 390 children were found malnourished.



## Capacity Building Efforts for Star Providers

Five 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 for the Star providers across the country. 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 and the number of participants by training categories during the reporting period.

Table 6: Capacity Development Status during July 2022 to June 2023

Training categories	# of Trainings	# of Participants
Blue Star Basic	70	1,617
Blue Star Refresher	135	3,591
Green Star Basic	38	796
Green Star Basic on GMP	4	112
Green Star Refresher	67	1,660
Pink Star Basic	10	76
Pink Star Refresher	11	70
Pink Star Doctor's Assistant	7	104
Rose Star Basic	7	99

## 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 84% of its operating expenses in the reporting year. On the other hand, SMC Clinic initiated

## 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 5:00 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 8,154 phone calls during the reporting period where 38% 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 six (6) 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.



in June 2021 which has recovered 41% of its operating expenses in the reporting year. The number of service recipients have increased 7% in Niltara and 26% in SMC Clinic in the reporting year over the last year. Similarly, the revenue has increased 11% in Niltara and 41% in SMC Clinic in the reporting year over the last year. The performances of both the Clinics have presented below.

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

- SMC’s own training team provided training to 7,664 Star Network providers, 758 GSMs, 575 drug sellers and 414 GOB providers (FWV, FWA, SACMO) on pregnancy care and MMS/FullCare.
- SMC organized 27 district-level seminars on FullCare with the OBGYNs/graduate doctors where 1,036 OBGYNs/graduate doctors attended. In addition, SMC conducted 107 Upazila Health Complex Doctors’ Seminar where 2,479 graduate doctors attended.
- As demand generation activities, SMC organized courtyard sessions with pregnant women in the community and organized 22 TV talk shows on pregnancy care and the importance of MMS to reduce low-birth-weight babies.

Table 7: Clinic Performances during FY 2022 and FY 2023

Indicators	Niltara Clinic		% change	SMC Clinic		% change
	FY 2022	FY 2023		FY 2022	FY 2023	
# of service recipients	22,035	23,652	7	12,862	16,145	26
General services	5,863	5,069	-14	2,828	4,398	56
Specialist services	7,228	8,858	23	5,678	5,977	5
Laboratory services	8,944	9,725	9	4,356	5,770	32
Revenue generated	15,521,649	17,176,651	11	6,686,786	9,438,087	41
Consultation	3,203,590	3,512,625	10	1,151,380	1,422,950	24
Laboratory	10,286,720	11,306,410	10	4,656,907	6,614,787	42
Pharmacy	2,031,339	2,357,616	16	878,499	1,400,350	59

## Multiple Micronutrient Supplements (MMS) Project

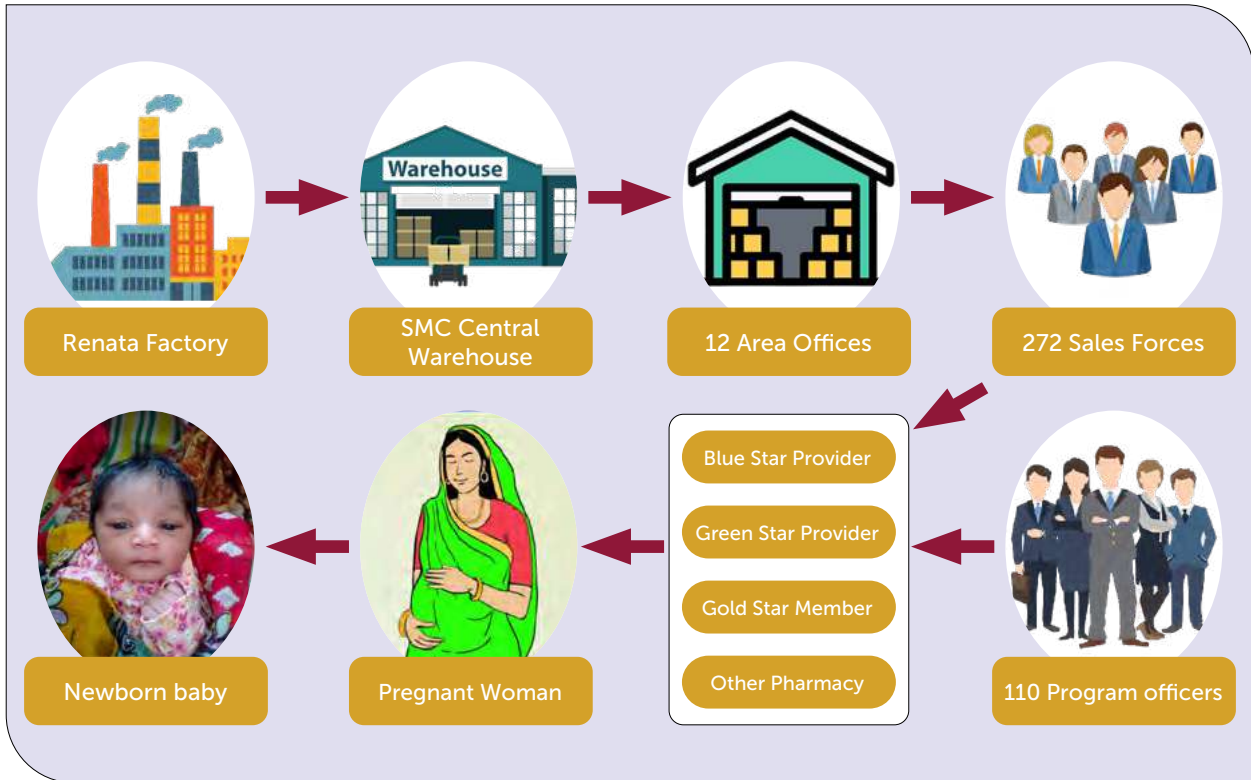
Children Investment Fund Foundation (CIFF) engaged SMC through Global Alliance for Improved Nutrition (GAIN) to set up a sustainable business model of MMS in the private sector. The MMS project aims to reduce the burden of Low Birth Weight (LBW) by improving maternal and child nutrition. The aim of this 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, OBGYNs, graduate doctors and other relevant government and non-government health providers. In addition, several BCC activities are performed to make MMS branded as ‘FullCare’ more popular and increase its utilization. The following are the major activities conducted during the reporting period:

- SMC sold 2.03 million blisters of FullCare which shows 69% in rural and 31% in urban areas. The sales volume of FullCare is 54% higher than the last year.



- FullCare digital campaign has been initiated at Facebook from May 2023 to heighten brand awareness, maximize target audience reach and strengthen engagement strategies for increase brand loyalty. SMC’s Tele-jiggasha team followed up with registered/listed pregnant mothers on FullCare dose compliance and sent text messages on pregnancy care services.

## MMS Logistics Flow (Production to Pregnant women)



## USAID's Alliance for Combating Tuberculosis in Bangladesh

Bangladesh is one of the highest tuberculosis (TB) burdened 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>9</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 local 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 achieve two major objectives – i) engage informal private providers (Blue Star and Green Star) to increase symptom screening of presumptive TB 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 TB.

The field activity started in March 2021. During the reporting period, SMC provided basic training to 1,482 Star network providers (BSPs and GSPs & GSMs) on TB. Trained Star network providers of SMC identified 36,853 presumptive TB among the screened patients. All the presumptive TB were referred accordingly to the National TB Control Program (NTP) designated GeneXpert sites. From the presumptive cases 4,178 were diagnosed as TB patients. All the diagnosed cases were under treatment accordingly.

<sup>9</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).

## Monitoring and Evaluation (M&E)

SMC has a Monitoring and Evaluation (M&E) team both at the head office and field office. Team members are responsible for monitoring regular activities to initiate corrective measures if needed. The M&E team is also responsible for the development and execution of the Project Performance Monitoring Plan. The team tracks the results of different projects/programs and ensures the implementation of M&E activities and data reporting requirements of the program. The team conducts periodical program performance assessment and share the findings with the management with recommendation for its improvement as a part of tracking program performances. 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, mobile apps, mobile call through Tele-jiggasha and surveys. The findings support Program Managers to make informed decisions, monitor results and provide feedback for improvement.

## 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.



# THE INSPIRING JOURNEY OF MS. AMENA KHATUN: A PIONEER IN WOMEN'S ENTREPRENEURSHIP

In the ever-evolving landscape of women's entrepreneurship, Ms. Amena Khatun stands out as a beacon of inspiration. Her journey with the GSM network at Kuliarchor Upazila under Kishorgonj district has not only created a earning scope but has also made her a pivotal figure in promoting public health and empowering women in her community.



Following her completion of GSM basic training and the acquisition of public health products from SMC, she embarked on her journey in 2014. Using just taka 1,000 as a start-up capital, Ms. Amena set off on her entrepreneurial journey with SMC, where she learned how to disseminate public health messages and sell public health products in the community. Her business flourished, and she currently sales approximately taka 22,000 per month.

Amena's entrepreneurial journey has not only brought her business success, but it has also had a profound impact on her role within her family and community. Once limited in her involvement in family decisions, she now takes an active role alongside her husband in matters regarding their child's well-being, education and household decision making. This transition helps her to make choices in her personal life and empowerment.

However, as a GSM, Ms. Amena also played a significant role in empowering women in her community. She regularly visits households in her area to educate families about maternal and child health, nutrition, family planning, and reproductive health issues. Due to her unwavering commitment, dedication and services, she quickly became

"Doctor Apa" within her community. She has become a trusted and reliable health counsellor for women and girls in the community.

Amena's achievements were acknowledged in 2022 when the Bajitpur Upazila Administration awarded her as "Joyita" in honor of Begum Rokeya Day. Amena's journey is not only a tale of business success but also a tale of social change maker. She is the model to change the perception of potential women in the community who want to accept the challenge to become as entrepreneur. "Women can create their own position in the society if they want," she said, expressing her belief in the ability of women to take challenge and bring success.

Ms. Amena is keen to create awareness and sell public health products of SMC in her community. Her objective is to become a role model in her community in addition to growing her business. She is driven by a desire to encourage more women to step forward and join this empowering initiative.

Amena's story is a testament to the positive impact of SMC's initiatives, which not only empowers women entrepreneurs, but also drives a transformation in societal norms. By empowering of women like Ms. Amena, SMC is making a significant contribution to the narrative of women's entrepreneurship in Bangladesh. The story of Amena is demonstrating that with the right support and opportunities, women can become key drivers to bring social wellbeing and economic growth.



# RESEARCH INSIGHTS

In the fiscal year 2022-23, SMC conducted the following research activities to evaluate the effects of its program initiatives and accordingly take correct initiatives for better outputs:

## Blue Star Program Review

The main objective of the study was to understand whether the Blue Star outlets are meeting minimum standard of service quality as per the guidelines and identify the gaps to meet service quality requirements of the outlets under this Networks.

SMC conducted the study at 800 Blue Star outlets across the country. The findings revealed that 76% of outlets were clean. Signage and essential posters were displayed on proper places in 90% of outlets. About 83% of outlets had service delivery guidelines and 95% of outlets had a sharp box.

## Post Launch Survey on MoniMix Plus & Vermicid

The prime objective of the study was to know the initial feedback of the providers and consumers on newly launched MoniMix Plus and Vermicid (Albendazole) of SMC. The study also aimed to identify the factors that influence the decision of the consumers to choose the brand, the level of satisfaction and assess the views of the customers to the products.

The study interviewed 775 Star network providers to know their feedback on MoniMix Plus and Vermicid, 1,011 women to get insights on MoniMix Plus and 1,124 women on Vermicid. More than half of Star providers mentioned that they need to pursue the buyer as being a new product. On the other hand, majority women showed their interest to feed MoniMix Plus among children and use of Vermicid among family members in future. Most of the women suggested to organize meetings at community levels in order to increase sales of MoniMix Plus and Vermicid.

## Post Campaign Evaluation of TVC and Pop-Up of MoniMix

The initiative aimed to evaluate the exposure of TVC and Pop-up campaign on MoniMix among the mothers of under 5 children. This study also assessed the media habit of the respondents for designing future media planning to maximize the outputs.

They survey was conducted among 1,196 mothers/caregivers of children aged 6 months to 5 years. The findings indicated that approximately 54% of mothers were aware of MoniMix and 26% reported giving it to their children. About 29% of respondents had seen the MoniMix TVC and about 4% had seen the pop-up in

the last two months during the survey. Among them 34% recognized it as an SMC product and 65% showed positive opinion about the campaign.

## Customer Feedback Study of SMC Niltara Clinic and SMC Clinic

The main objective of the study was to measure the satisfaction level of the customers/clients of different services provided from Niltara Clinic, SMC Clinic and its pharmacies.

The study included a total of 1,282 respondents with 683 from SMC Niltara Clinic and 699 from SMC Clinic. Findings revealed that almost every client were highly satisfied to receive care from the Clinics and Pharmacies as well as the prices of services and medicine. Approximately 95% of clients were satisfied with availability of medicine, pricing, and service efficiency at pharmacy. Nearly 99% of clients intended to revisit the clinics and approximately 98% of clients showed their willingness to recommend about the clinic services to others.

## Evaluation of Special Adolescent Health Campaign

The main objective of the study was to assess the change in knowledge and behavior of adolescents on specific program activities and to determine their current health and hygiene practices. The key findings show that 82% of adolescent girls in intervention areas used sanitary napkin during last menstruation compared to 64% in control areas.

## Availability Study of SMC and its Competitor Products, among the Network Providers

The study aimed to understand the product availability and penetration status of SMC and its competitor products to Blue Star (BS), Green Star (GS) and Gold Star members (GSMs). The survey also gathered service-related information of SMC's network providers.

The study was conducted among 1,700 network providers. The study revealed that nearly all Blue Star and Green Star providers actively were offering injectable contraceptives (BS: 97% and GS: 99%). The penetration of MoniMix was available in 98% of BS and 97% of GS outlets. Furthermore, Micronutrient supplements, 'FullCare' was available in 99% of BS and 98% of GS outlets. GSMs played a vital role in creating health awareness in the community and sales of public health products. On average, GSMs reported generating a monthly income of BDT 3,152 by selling SMC products valued at BDT 11,330.

# HUMAN RESOURCE MANAGEMENT

## Empowering HR: Shaping the Future

In the contemporary business world, HR<sup>1</sup> plays a vital role in ensuring the effective utilization of human potential, weaving a narrative of growth, innovation, and excellence. This report imitates the collective journey over the past year, highlighting the events that have together ensured a year of significant progress.

employees (16%) were separated from the Company, where all were contractual employees.

The establishment of a comprehensive Gender Policy signifies the commitment towards inclusivity and diversity. HR leads the charge in ensuring that all policies and practices within the Company adhere to principles of diversity and equality for all. This effort has resulted

Table 1: Number of employees by type of employee

Employee type	June 30, 2021	June 30, 2022	June 30, 2023
Management	235 (79%)	253 (70%)	248 (68%)
Graded	85 (21%)	110 (30%)	117 (32%)
Total	320 (11%)	363 (13%)	365 (1%)

\* The percentage shown in parenthesis denotes the growth compared to that of previous year(s).

## Human Capital Management

At the core of SMC's HR strategy lies the effective management of human capital. Recruitment, retention, and talent development practices align with the organizational goals. Performance management has enabled tracking of employee progress and cultivating a culture of continuous improvement.

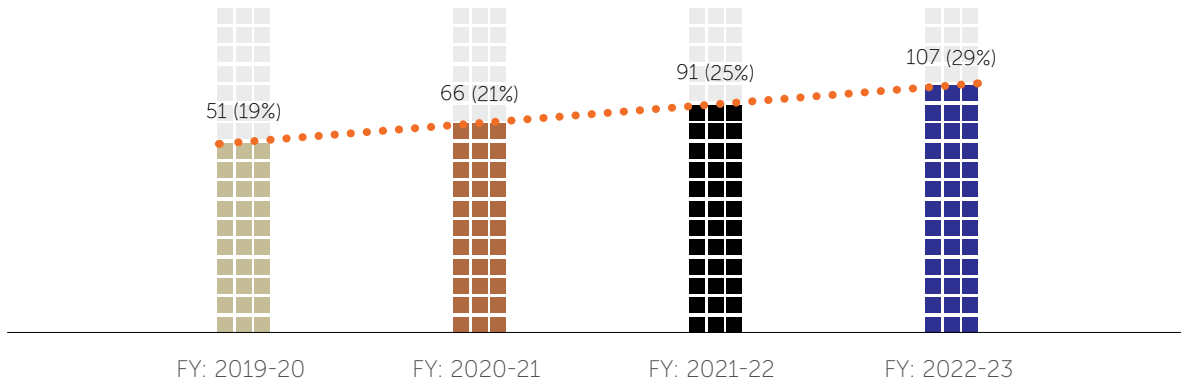
in increased female employee recruitment, fostering a more balanced and diverse workforce.

## Capacity Development

SMC's commitment to continuous learning and development has been evident through extensive training programs that enriched the knowledge and skills of the workforce. In FY-2022-2023, 57% of employees

## Improving Diversity and Inclusivity within the Workforce

Year wise growth trend of female employees



\* The percentage shown in parenthesis denotes the growth compared to that of previous year(s).

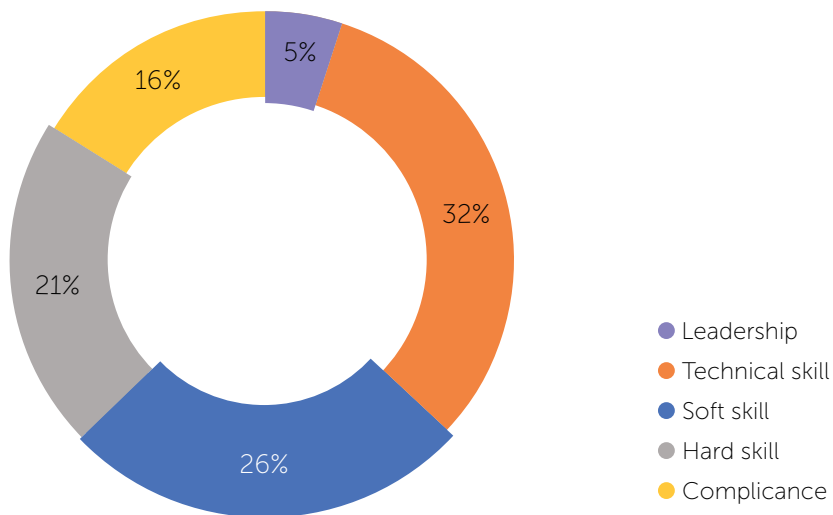
So far in FY 2022-23, a total number of 88 employees were recruited, where 99% were appointed in contractual positions. Out of this recruitment, 70% were under the fund supported by Development Partners and 30% in SMC's own funded projects. A total of 58

received an average of 20 hours of training, reinforcing the dedication to a culture of continuous learning. During the period under review 258 employees participated in 19 different trainings, other than Orientation and Onboarding. The major types of training are Leadership

<sup>1</sup> HR: Human Resource

(26%), technical skill development (32%), Soft skill development (21%), Hard skill development (16%), and compliance (5%). Besides HR conducted three sessions on New employee Orientation and Onboarding and six batches of training on the revised Administrative and Service Manual.

### Training FY 2022-2023



### Way Forward

The future of Human Resources (HR) is composed of transformation, driven by contemporary industry practices and the evolving nature of work. In this emerging landscape, SMC HR would like to connect advanced technologies, such as artificial intelligence and data analytics, to facilitate in making informed decisions, optimize talent acquisition, and enhance

### Policy Revision and Development

The division successfully completed a meticulous revision of the Administrative and Service Manual of the Company, aligning policies with contemporary best practices, optimizing operational efficiency, and enhancing employee well-being. The new manual offers streamlined processes and employee benefits that recognize and reward contributions.

HR also introduced a comprehensive Policy on Succession Planning for Management employees in 2022-23 that demonstrates a commitment to fostering a resilient and thriving workforce. This policy would ensure a continuous transition of talent across management levels, minimizing disruptions during leadership transitions.

### Recognition and Rewards

HR actively promotes a culture of recognition and rewards through various programs, including the prestigious "Award of Excellence," celebrating exceptional contributions and fostering a culture of appreciation. Employees who complete fifteen years of continuous service receive a "Long Service Award."

employee experiences while maintaining a strong commitment to diversity, equity, and inclusion. The Company is going to implement SAP ERP (Systems Applications and Products in Data Processing Enterprise Resource Planning) software in order to bring excellence in its business operations, bringing high level of precision towards attaining cost efficiency at work place thereby enhancing productivity and profitability of the Company.

SMC HR has given top priority to create flexible work arrangements, well-being initiatives, and continuous learning opportunities to support employees in adapting to changing work environments. Therefore, the future of HR will be characterized by agility, adaptability, and a relentless focus on nurturing a dynamic and engaged workforce that thrives in an ever-evolving business landscape.

# TRAINING & DEVELOPMENT



# EMPLOYEES TRAINING PROGRAM OF SMC



Basic training of trainers of SMC training team



Orientation on newly adopted Administrative and Service Manual



Training on efficiency improvement drive



The art of efficient pharmaceutical sales



Skill development training on basic rules, manners & etiquette



Training on vehicle maintenance, road safety & traffic rules for drivers and technicians

# TRAINING OF STAR NETWORKS PROGRAM - SMC



Basic training of Blue Star providers (non graduate medical practitioner)



Refresher training of Blue Star providers



Experience sharing meetings with Gold Star members (rural woman selling health programme products)



Refresher training of Green Star providers (drug seller)



Basic training of Pink Star providers (obgyn)



Basic training of Rose Star providers (pediatrician)

# EMPLOYEES TRAINING PROGRAM OF SMC EL



Training on Emotional Intelligence



Training on presentation skill for professional staff



Training on strategic change management



Selling skills & sales management training - head office



Selling skills & sales management training at rajshahi area office



Selling skills training barisal area office



# RISK & GOVERNANCE



## Social Marketing Company

### COMPARATIVE FINANCIAL PERFORMANCE OF PRECEDING FIVE YEARS (FY 2018-19 TO 2022-23)

PARTICULARS	FY2022-23 Taka	FY2021-22 Taka	FY2020-21 Taka	FY2019-20 Taka	FY2018-19 Taka
<b>I. Income-Corporate</b>					
Sales Revenue	149,491,047	142,475,615	107,076,413	86,656,501	65,832,760
Income on FDR	116,939,168	101,165,626	240,514,236	178,419,121	158,407,428
Rental Income	123,495,964	102,788,036	88,900,086	97,113,326	96,546,019
Dividend	259,999,867	136,499,930	49,999,900	34,999,930	29,999,940
Others	17,951,325	22,641,644	4,331,898	3,785,953	1,839,671
<b>II. Income-Program</b>					
Sales Revenue	152,443,521	162,506,337	97,981,880	94,534,129	84,134,205
Grants	538,924,909	475,620,453	309,749,552	265,131,302	317,426,075
Income from Clinics and sales of Medicine	70,190,111	53,984,937	28,424,751	22,809,911	12,356,221
<b>A. Total Income (I + II)</b>	<b>1,429,432,911</b>	<b>1,197,682,578</b>	<b>926,978,717</b>	<b>783,450,172</b>	<b>766,542,319</b>
<b>III. Expenditure- Corporate</b>					
Salary	200,229,411	154,955,044	145,712,756	141,774,319	130,867,884
Travel	13,492,306	12,523,390	11,839,295	10,444,827	8,623,572
General Operating Expenses	67,858,335	84,462,585	85,193,504	93,724,987	112,606,206
Commodity & Packaging	127,719,308	117,102,399	96,424,855	74,140,881	58,154,075
Others including depreciation	48,887,521	49,460,094	65,865,459	59,989,810	85,796,217
<b>IV. Expenditure- Program</b>					
Salary	130,432,272	109,315,155	55,587,310	55,162,039	54,185,080
Travel	27,655,296	20,376,281	10,198,329	12,270,145	10,808,953
General Operating Expenses	103,739,575	108,213,709	39,964,110	31,687,867	13,548,780
Commodity & Packaging	52,362,589	35,426,512	25,431,430	20,574,621	9,417,268
Program Expenses	548,245,293	370,720,538	224,420,478	188,937,631	213,874,336
Advertising expenses	124,975,661	112,114,736	75,648,037	30,436,164	72,704,253
Others	6,437,727		2,698,834	3,122,130	5,391,148
<b>B. Total Expenditure ( III + IV)</b>	<b>1,452,035,293</b>	<b>1,181,702,231</b>	<b>838,984,398</b>	<b>722,265,421</b>	<b>775,977,772</b>
<b>Net surplus/(deficit) before tax (A-B)</b>	<b>(22,602,382)</b>	<b>15,980,347</b>	<b>87,994,319</b>	<b>61,184,752</b>	<b>(9,435,453)</b>

### HIGHLIGHTS ON FINANCIAL POSITION AS ON 30 JUNE

Capital Fund	3,176,825,270	3,396,313,929	3,405,589,972	3,380,897,939	3,348,702,720
Current liabilities	1,164,226,735	892,210,077	913,417,432	869,773,266	457,016,319
<b>Liabilities</b>	<b>4,341,052,005</b>	<b>4,288,524,006</b>	<b>4,319,007,404</b>	<b>4,250,671,205</b>	<b>3,805,719,039</b>
Non-current assets	1,563,093,426	1,586,211,271	1,607,719,962	1,315,068,656	952,137,035
Current assets	2,777,958,579	2,702,312,735	2,711,287,442	2,935,602,549	2,853,582,004
<b>Assets</b>	<b>4,341,052,005</b>	<b>4,288,524,006</b>	<b>4,319,007,404</b>	<b>4,250,671,205</b>	<b>3,805,719,039</b>

## Social Marketing Company

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amount in Milion)

Particulars	FY2022-23 Taka	FY2021-22 Taka	FY2020-21 Taka	FY2019-20 Taka	FY2018-19 Taka
Sales Revenue	14,451	11,045	9,434	8,154	6,621
Cost of goods sold	(9,578)	(6,822)	(5,776)	(4,927)	(4,068)
<b>Gross profit</b>	<b>4,873</b>	<b>4,223</b>	<b>3,657</b>	<b>3,226</b>	<b>2,552</b>
Operating expenses	(1,736)	(1,475)	(1,716)	(1,487)	(1,401)
Selling & Marketing Expenses	(1,547)	(1,170)	(1,017)	(968)	(888)
<b>Profit from operations</b>	<b>1,589</b>	<b>1,577</b>	<b>925</b>	<b>771</b>	<b>264</b>
Finance and Program Expenses	(1,209)	(785)	(4)	(5)	(12)
<b>Net Operating Profit</b>	<b>380</b>	<b>792</b>	<b>921</b>	<b>766</b>	<b>252</b>
Grants received	539	476	310	265	317
Other Income	423	342	420	329	315
Contribution to WPPF	(81)	(87)	(81)	(67)	(45)
<b>Net profit before tax</b>	<b>1,261</b>	<b>1,524</b>	<b>1,570</b>	<b>1,293</b>	<b>840</b>
Current Income tax	(548)	(475)	(505)	(458)	(287)
Deferred tax	6	(18)	12	15	7
<b>Net profit after tax</b>	<b>718</b>	<b>1,030</b>	<b>1,077</b>	<b>850</b>	<b>559</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>718</b>	<b>1,030</b>	<b>1,077</b>	<b>850</b>	<b>559</b>

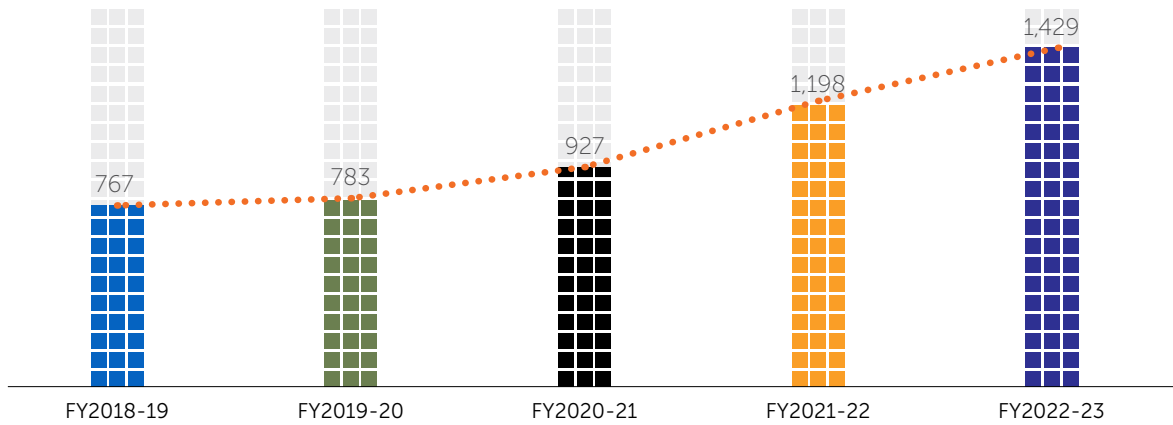
### HIGHLIGHTS ON FINANCIAL POSITION AS ON 30 JUNE

Particulars	FY2022-23 Taka	FY2021-22 Taka	FY2020-21 Taka	FY2019-20 Taka	FY2018-19 Taka
Capital Fund and Retained Earnings	8,994	8,360	7,365	6,288	5,438
Non controlling interest	0	0	0	0	0
Non-Current liabilities	377	411	345	222	79
Current liabilities	4,584	3,649	2,964	2,409	1,552
<b>Liabilities</b>	<b>13,955</b>	<b>12,421</b>	<b>10,674</b>	<b>8,918</b>	<b>7,069</b>
Non-current assets	4,380	3,895	3,455	3,075	2,823
Current assets	9,574	8,526	7,219	5,844	4,246
<b>Assets</b>	<b>13,955</b>	<b>12,421</b>	<b>10,674</b>	<b>8,918</b>	<b>7,069</b>

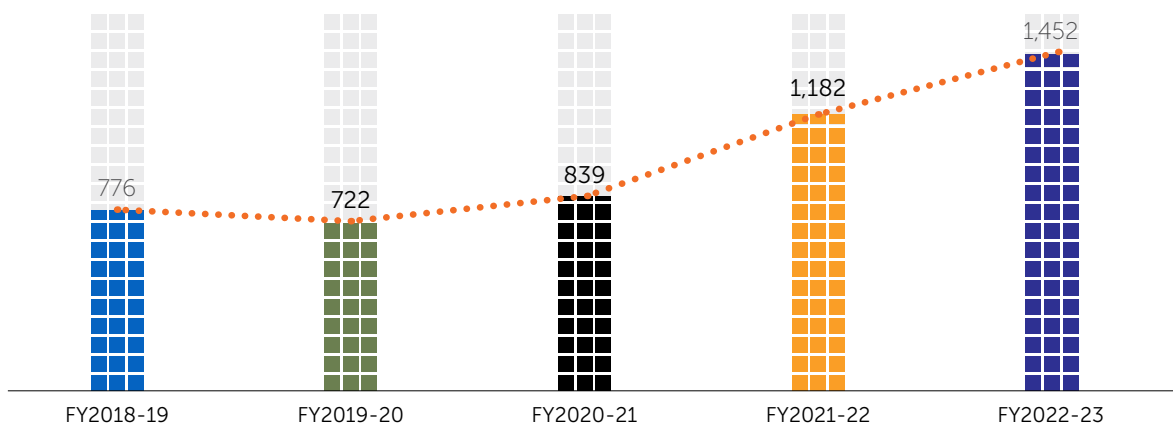
# LAST FIVE YEARS TREND ANALYSIS

## Total Income

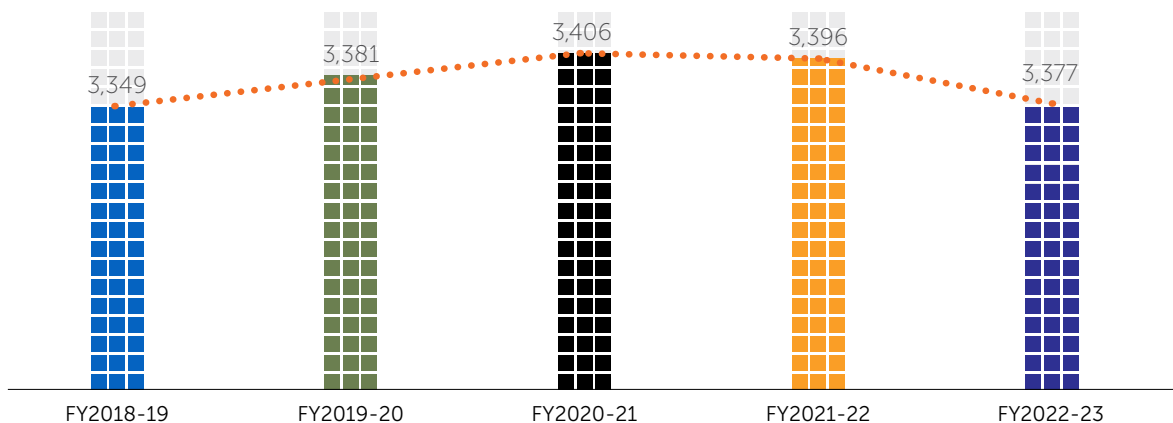
(Amount in million)



## Total Expenditure

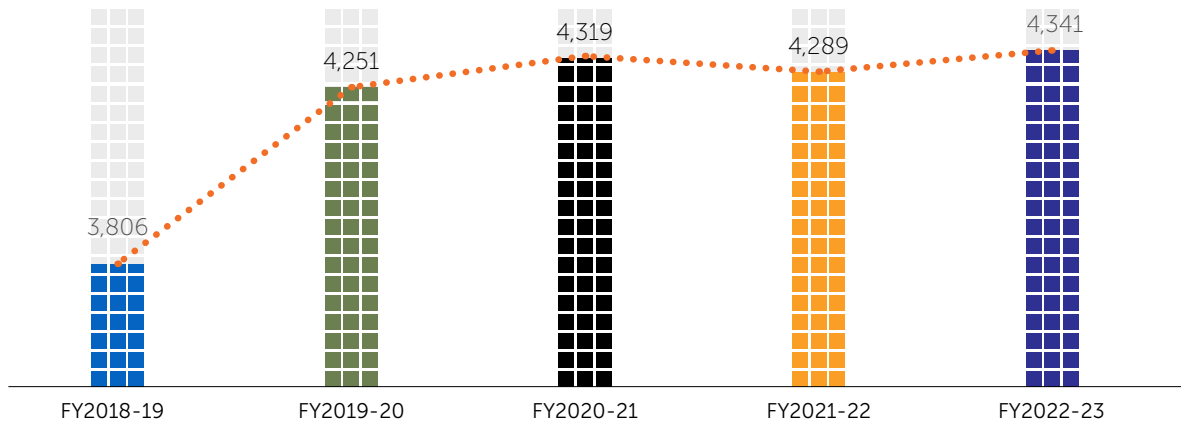


## Capital Fund

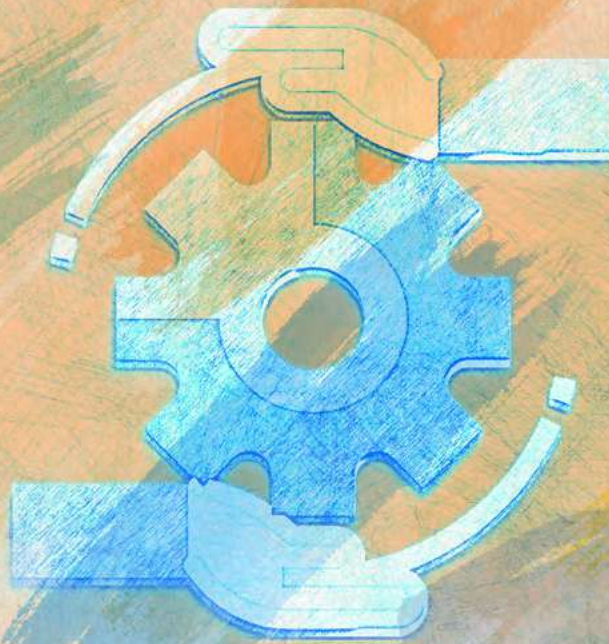


## Total Assets

(Amount in million)



# CORPORATE GOVERNANCE



SOCIAL MARKETING COMPANY

# CORPORATE GOVERNANCE

## Introduction

At SMC, 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 and helps in building positive relationships with all our stakeholders. The Board of Directors of the Company is deeply engaged in developing and measuring the Company's long-term strategy, performance, culture and values.

We are pleased to present the Corporate Governance Report, which outlines our commitment to maintain the highest standards of corporate governance in Social Marketing Company and its subsidiary. We believe that effective governance is essential for building and maintaining the trust of our company members, stakeholders, that ensuring sustainable growth, and safeguarding the long-term interests of the Company.

The Board is responsible and committed to embracing sound principles of corporate governance. Our governance framework ensures that we make timely disclosures and share detailed and timely information concerning our programmatic performance and financials operations, as well as disclosures related to our leadership and governance. We believe in transparency and commit to adhere to best practices in governance at all times. The Corporate Governance Philosophy of the Company is based on the following principles:

- Appropriate composition of the Board;
- Timely disclosure of material financial information 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 Members and the Management. The Board members are elected or appointed by company members at the Annual General Meeting (AGM) and they are accountable to the stakeholders.

The Board of Directors of Company serves as its governing body, responsible for making strategic decision and guiding the overall direction of the Company. The Board of Directors of SMC and its subsidiary, SMC EL comprising a diverse group of individuals with varying expertise and backgrounds in the areas such as finance, law, industry knowledge, leadership and governance. This mix of prospective fosters well rounded discussion and thoughtful deliberations.

The Board of Directors of the Company comprises of 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.

## 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 nine times during the year 2022-23. The notice of each Board Meeting along with the Board working paper is served in writing ahead of the meeting.

The Board meeting and attendance of the meetings by the Directors during FY 2022-23 are tabulated below:

Name of Directors	Position in SMC Board	No. of Meeting held and present
Mr. Waliul Islam	Chairman	9(9)
Mr. Siddiqur Rahman Choudhury	Director	3(3)
Mr. Muhammed Ali	Director	6(6)
Mr. Md. Siddique Ullah	Director	6(6)
Mr. Aftab ul Islam FCA	Director	3(6)
Prof. (Dr.) Farhana Dewan	Director	7(9)
Dr. Jahir Uddin Ahmed	Director	9(9)
Dr. Yasmin Hemayet Ahmed	Director	5(9)

Name of Directors	Position in SMC Board	No. of Meeting held and present
Professor Ahmed Mushtaque Raza Chowdhury	Director	3(9)
Mr. Muhammad A. (Rumeel) Ali	Director	2(3)
Mr. Ranjit Kumar Chakraborty	Director	3(3)
Mr. Muhammed Farhad Hussain FCA	Director	9(9)
Mr. Toslim Uddin Khan	MD and CEO	7(7)
Mr. Md. Ali Reza Khan	MD and CEO	2(2)
Mr. Abdul Haque	Ex-officio Director	6(7)

## Board Sub-committee

In accordance with the Clause 42(d) of the Articles of Association of the Company six (6) Board Sub-

The duties and responsibilities of the Committee are clearly articulated in writing in the approved Terms of Reference (TOR).

The number of Sub-committee meetings held during the FY 2022-23 are tabled below:

Serial No.	Particulars	No of Meeting held
01	Audit Committee (Joint)	08
02	Board Sub-committee on Program Development of SMC	03
03	Board Sub-committee on Personnel Policy and Administrative Matters (Joint)	08
04	Board Sub-committee on Procurement of SMC	01
05	Board Sub-committee on Construction and Engineering Works (Joint)	03
06	Board Sub-committee for SAP ERP Project Implementation (joint)	02

committees are in place comprising of four joint Board Sub-committees (SMC & its subsidiary SMC EL) and two separate Sub-committees. 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.

## Audit Committee

The Audit Committee of SMC, one of its prime joint Sub-committees of the Board aids in ensuring the perpetuation of strong monitoring systems across the organization. The audit committee is a major component of corporate governance within an organization. Its primary role is to enhance the integrity and transparency of financial reporting and ensure effective oversight of the financial reporting process. The committee acts as a bridge between the Board of directors, management and external auditors, providing independent and objective assurance to stakeholders.

The Audit Committee held eight meetings during the period 2022-2023. 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.

The Audit Committee comprises the following Board members:

1.	Mr. Siddiqur 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

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" in Page 98 of the annual 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 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, Company Secretary, Chief Engineer, Chief Financial Officer; GM, HR & Administration; Addl. GM, Program Operations and. 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.

## Control Environment of SMC

### Internal Control

The Board of directors of the Company are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the Directors maintain full and effective control of all significant strategic, financial, organizational and compliance issues. The Board have delegated to the Management the responsibility of establishing and implementing a system of internal control appropriate to the business environment in which the Company operates. The Company has an Internal Audit and Compliance Department headed by the Head of Internal Audit & Compliance. The internal control system is maintained and reviewed by an internal audit function that operates throughout the Company and reports to the Management and the Audit Committee.

## 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 a 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 the 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

Internal audit is regarded as one of the four pillars of corporate governance. The Company has established a separate internal audit and compliance department to ensure that internal control and compliance is in place. On the other hand, the Audit Committee regularly monitors and reviews the reports generated by the internal audit and compliance department and takes appropriate corrective measures.

The Internal Audit reports encompassing the audit issues, recommendations and the Management's responses reviewed. Improvement actions suggested by the internal auditors in the areas of internal controls, systems and efficiency enhancements discussed with Management.

## 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

Social Marketing Company held its 34th Annual General Meeting (AGM) on January 23, 2023 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 2021-2022 and appointed auditors M/s. ACNABIN Chartered Accountants for the Financial Year 2022-2023. Mr. Waliul Islam, Chairman of the Board of Directors of SMC, presided over the meeting. Board Directors, MD & CEO of SMC along with senior member of the Management of the Company were present at the meeting.



### Annual General Meeting of SMC EL

SMC EL held its 8th Annual General Meeting (AGM) on January 23, 2023 at the Company head office in Dhaka. At the AGM, Shareholders of the Company received, adopted and ratified the Directors' Report

and the Auditors' Report for the Financial Year 2021-2022 and appointed auditors M/s. ACNABIN, Chartered Accountants for the Financial Year 2022-2023. 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 8th AGM of the Company was held in compliance with the Companies Act 1994 where 66.66% dividend amounting to Tk. 26 crore was declared and disbursed subsequently from the profit of the Company's seventh year of operations.



### Conclusion

The Board of Directors of the Company meticulously enforced the most stringent governance standards and resolutely uphold the code of conduct's stipulations. The Company recognizes Corporate Governance as an ongoing journey rather than a final goal, necessitating continual development, cultivation and adaptation to accommodate the dynamic requirements of a contemporary business and fulfill the legitimate expectations of our esteemed investors, other stakeholders, and the broader society.

# ENHANCING STAKEHOLDERS VALUE THROUGH EFFECTIVE RISK AND COMPLIANCE MANAGEMENT

SMC has drawn upon the experience of different risk management contexts to identify and prioritize risks and create an effective link between strategy formulation and risk mitigation. Risk management is an ongoing process and is integrated into the business across the organization. All functions are required to be accountable for risk management within their areas of responsibility and ensure that risk management is embedded in their day-to-day business processes. To increase its effectiveness throughout the process, Risk Management Forums have been established within the Company to ensure active participation from different functional areas.

SMC recognizes the importance of adapting its risk management process in line with its growth and the rapidly changing world. Factors such as technological

advancements, geopolitics, environmental issues, and socioeconomic changes can all give rise to emerging risks, which need to be identified and treated appropriately. To address these risks, SMC has been continuously evolving its risk management process. The Company utilizes its line of defenses to ensure that emerging risks are detected early and addressed effectively.

During the financial year under review, Management reviewed, monitored, and reported the significant risks of the Company, and the mitigating measures were evaluated by the Management and Board on a regular basis. This is to ensure that the Company's risk management framework continues to effectively promote and enable the identification, monitoring, and mitigation of risks across the organization.

Below are some key risk areas identified at SMC:

Serial No.	Risk description	Mitigation measures
01.	<p><b>Supply chain and logistics risks:</b></p> <p>This involves the risks associated with the supply, sourcing, timely procurement, storage, and distribution of public health products. Any disruption in the supply chain can lead to shortages or delays in delivering the products to the target population group.</p>	SMC developed close collaboration with the supplier of public health products. Efficient procurement planning and continuous follow-up ensures the stock position and distribution of products and promotional items.
02.	<p><b>Regulatory compliance risks:</b></p> <p>Operating in the public health sector involves adhering to various regulations and compliance standards. Stringent regulatory issues for mass media promotion of the program products and services hampered to increase in its demand creation. Failure to comply with these regulations can result in legal and reputational risks for the organization.</p>	Management ensures adherence to regulatory requirements. Moreover, various internal checks and control systems are in place to continuously identifying and address any compliance gaps (if any).
03.	<p><b>Market and demand risks:</b></p> <p>Anticipating and meeting the demand for various public health products are facing challenges. Inaccurate market assessments or misjudging the demand for certain products can lead to excess inventory or shortages, both of which can have financial implications.</p>	The company is conducting market research to understand the demand and availability of public health products accurately. Implement robust demand forecasting models to optimize inventory management and prevent stockouts or excess inventory.
04.	<p><b>Growth impediment of network providers:</b></p> <p>The escalating number of graduate doctors, and lack of funding opportunities for capacity developments, equipment, and promotional items have emerged as key risk factors for Star providers, hindering their growth trajectory.</p>	The company ensures continuous learning through an increasing number of basic and refresher training with updated content, providing modern equipment and availability of public health products to the network providers.



By addressing these key risk factors and implementing appropriate mitigation strategies, SMC enhances its operational efficiency, ensures the sustainability of its programs, and continues to effectively address public health challenges in the communities it serves.

SMC remains committed to achieving its mission while safeguarding the interests of the beneficiaries,

stakeholders, and partners. By proactively managing risks, The Company management aim to not only minimize potential adverse impacts but also to capitalize on opportunities that may arise, ultimately ensuring the sustained success by way of taking initiatives and the enduring positive impact on public health management.

# ORGANIZATIONAL SUSTAINABILITY IN HEALTH MANAGEMENT AND FAMILY PLANNING: SMC'S ROLE VIS-A-VIS SDG

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The 17 SDGs are integrated—they recognize that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability.

Social Marketing Company has emerged as a significant contributor to the national health and family planning program, aligning its efforts with the number of United Nations Sustainable Development Goals (SDGs). With its focus on family planning, maternal and child health, adolescent health, nutrition, tuberculosis (referral), and pregnancy care, SMC plays a commendable role in advancing the nation's progress toward achieving the 4 UN SDGs out of 17 SDGs. This was done by assessing each SDG and its corresponding parameters to ascertain the best way the Company can contribute to achieving these goals. These are:

**SDG 2 (Zero Hunger):** In its wide scope of work SDG 2 also manifests the ending of all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and addressing the nutritional needs of adolescent girls, pregnant and lactating women, and older persons.

**SDG 3 (Good Health and Well-Being):** In its wide scope of work SDG 3 is also focused on "Good Health and Well-Being," with the overarching aim of ensuring healthy lives and promoting well-being for all at all ages. Reduced

the global maternal mortality ratio and end preventable deaths of newborns and children under five. End the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases. Reduce by one-third premature mortality from non-communicable diseases (NCDs) through prevention and treatment and promote mental health and well-being.

**SDG 4 (Quality Education):** SDG 4 is focused on "Quality Education," aiming to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Quality education, as emphasized in SDG 4, includes the provision of comprehensive sexuality education. This education is essential for adolescents to acquire accurate information about their sexual and reproductive health, promote responsible behavior, and make informed decisions. It also emphasizes the acquisition of knowledge and skills needed for sustainable development. Health education is a crucial component, and it should cover topics such as hygiene, nutrition, mental health, and preventive measures. This can contribute to the overall well-being of adolescents.

**SDG 5 (Gender Equality):** SDG 5 is focused on "Gender Equality," with the overarching aim of achieving gender equality and empowering all women and girls. It underscores the importance of addressing gender-based discrimination, violence, and harmful practices while promoting equal opportunities and empowerment for women and girls in various aspects of life. Achieving gender equality is recognized as both a fundamental human right and a key driver for sustainable development.

## SUSTAINABLE DEVELOPMENT GOALS



## SDGs supported:



As explained above SMC's efforts to align these four goals of SDGs have allowed the Company to distill and prioritize

**4 out of 17 SDGs. The justifications are:**

### Family Planning:

Comprehensive family planning programs and its implementation are instrumental in promoting accessible and affordable contraceptive methods across the Country. By ensuring the availability of a wide range of family planning products, SMC contributes to achieving SDG 3 (Good Health and Well-being) and SDG 5 (Gender Equality), aiming to improve maternal health and empower women to make informed choices regarding their reproductive health.

In the reporting year, SMC achieved 6.55 million CYP by distributing oral pills, condoms, IUDs, and implants across the whole country. As a part of its social commitment to empower women folk in the rural community, SMC engaged 3,232 Gold Star members who were actively involved in disseminating health information and selling public health products at doorsteps in the community.

### Maternal and Child Health:

Through its network of healthcare providers and outreach programs, SMC enhances access to essential maternal and child health services, including antenatal care, safe delivery, and postnatal support. SMC offers growth monitoring and promotion, counseling for nutrition and exclusive breastfeeding and nutrition supplements for children through mostly its Star network providers. By prioritizing the well-being of mothers and children, SMC's interventions significantly contribute to the advancement of SDG 2 (Zero Hunger), SDG 3 (Good Health and Well-being), and SDG 4 (Quality Education), aiming to reduce maternal and child mortality rates and ensure healthy lives for all.

During the reporting year, SMC distributed 45 million sachets of Micronutrient powder, 8.7 million de-worming tablets, and 853,000 blisters of Zinc tablets for child nutrition.

SMC's community mobilization partners facilitated pregnant mothers' gatherings (Maa Somabesh) in the targeted upazilas for health check-ups, identified risk pregnancies, and counseling for nutrition supplements. During the reporting period, SMC distributed 2 million blisters of Multiple Micronutrient Supplements for pregnant mothers to improve their nutritional status and reduce low birth weight.

### Adolescent Health:

SMC's initiatives focusing on adolescent health education and support contribute to the achievement of SDG 3 (Good Health and Well-being) and SDG 4 (Quality Education) by providing comprehensive healthcare information among boys and girls in educational institutions and at the community level. Throughout this period, 4.67 lac adolescents participated in the health sessions. A study shows that about 82% of adolescent girls used sanitary napkins during their last menstruation in SMC program areas while 64% used in non-program areas.

### Nutrition:

By promoting the availability of nutritious food products and advocating for balanced diets, SMC contributes to the realization of SDG 2 (Zero Hunger) and SDG 3 (Good Health and Well-being). With special emphasis on child nutrition and prevention of child mortality, SMC's efforts in addressing malnutrition and promoting healthy eating and growth monitoring to improve nutritional status among children and adolescents.

### Tuberculosis (referral):

Through its referral network and collaboration with healthcare providers, SMC supports the national tuberculosis control program, aligning with the targets of SDG 3 (Good Health and Well-being). By facilitating timely referrals and promoting awareness about tuberculosis prevention and treatment, SMC contributes to identify TB-positive cases and ensure treatment course compliance. During this period, the proficient Star Network Providers (BSP) affiliated with SMC identified 36,853 TB presumptive cases among the screened patients or clients. Out of this number, 4,178 individuals were diagnosed with TB and subsequently received appropriate treatment.

Finally, through its multifaceted interventions in family planning, maternal and child health, adolescent health, nutrition, and tuberculosis referral, SMC demonstrates a strong commitment thereby playing a laudable role in achieving the SDGs. By aligning its initiatives with the key targets of the UN SDGs, SMC continues its endeavor for the well-being of communities, fostering sustainable development, and is playing a pivotal role in shaping a healthier and more prosperous future for Bangladesh.

# SMC ENTERPRISE LTD: EMPOWERING SUSTAINABILITY THROUGH ESG COMMITMENT

As an integral part of the global business landscape, Companies are now increasingly recognizing the importance of Environmental, Social, and Governance (ESG) factors in driving sustainable growth and creating long-term value for stakeholders. SMC Enterprise Limited (SMC EL), a fully-owned subsidiary of SMC, stands committed to embracing this holistic approach to business management and is proud to present its inaugural ESG report.

This report is a comprehensive overview of SMC EL's efforts and achievements in environmental stewardship, social responsibility, and corporate governance. It reflects our dedication to transparency, accountability, and continuous improvement across all operations.

This report embodies our journey towards responsible and sustainable business practices and serves as a testament to our unwavering commitment to creating value for society while ensuring the long-term success of our business.

## Environmental sustainability:


SMC EL is committed to environmental sustainability through various initiatives:

### Effluent Treatment Plant (ETP):

SMC EL's Bio-Chemical Effluent Treatment Plant at the Bhaluka Factory operates on the principle of Zero Discharge, treating up to 3,000 liters per hour of effluent. The ETP ensures compliance with Department of Environment (DoE) standards for parameters including pH, Dissolved Oxygen (DO), and Total Dissolved Solids (TDS). Through the 3R approach (Recycle, Recover, Reuse), treated water is repurposed for gardening, car washing, toilet flushing, and other non-potable uses. Our dedicated team is actively working to meet compliance for the remaining parameters, demonstrating our commitment to responsible water management and environmental stewardship.



SMC Enterprise Limited has also achieved the ISO 9001:2015 certification for three years from July 19, 2022 to July 15, 2025. Total Quality Certification Services (TQCS) International, the certification body, after the successful surveillance & recertification audit during July 2019 - July 2022 awarded SMC EL with the below-mentioned certification.




গণপ্রজাতন্ত্রী বাংলাদেশ সরকার  
পরিবেশ অধিদপ্তর  
ময়মনসিংহ জেলা কার্যালয়  
৫৭, কাজী নজরুল ইসলাম রোড, ময়মনসিংহ।  
[www.doe.gov.bd](http://www.doe.gov.bd)

পরিবেশগত ছাড়পত্র নবায়ন  
ছাড়পত্র নং: ২৩-৯৯৭৫৫

পরিবেশগত ব্যবস্থাপনা নিশ্চিতকরণ সাপেক্ষে সংযুক্ত শর্তে নিম্নবর্ণিত প্রতিষ্ঠান/প্রকল্পের অনুকূলে পরিবেশগত ছাড়পত্র নবায়ন প্রদান করা হলো :

প্রতিষ্ঠান/প্রকল্পের নাম	: SMC ENTERPRISE LTD (UNIT-3)
উদ্যোক্তার নাম	: ABDUL HAQUE
সনাক্তকরণ নং	: ৬২৮৭৭
প্রতিষ্ঠান/প্রকল্পের কার্যক্রম	: ডেজার্ট্রোল ও টেক্সটাইল ড্রিংক প্যাকজার উৎপাদন।
প্রতিষ্ঠান/প্রকল্পের শ্রেণী	: Orange
প্রতিষ্ঠান/প্রকল্পের ঠিকানা	: JAMIRDIA HOBBIRBARI, BHALUKA, MYMENSINGH (NEAR TO MAYER MOSJID)
প্রদানের তারিখ	: 01/06/2023
মেয়াদ উত্তীর্ণের তারিখ	: 02/02/2024



এ ছাড়পত্র সনদের সাথে পৃথকভাবে সংযুক্ত প্রদত্ত শর্তাবলী যথাযথভাবে প্রতিপালন করতে হবে, অন্যথায় ছাড়পত্র বাতিল/কর্তৃপূর্ণ আদায়সহ যে কোন আইনানুগ ব্যবস্থা গ্রহণ করা হবে।

বিদ্রোহ এটি একটি সিস্টেম রেনোভেটেড ছাড়পত্র এবং এতে কোনোক্রম খাতসমূহের প্রয়োজন নেই।



## Resource Efficiency:

SMC EL prioritizes resource efficiency in its pharmaceutical and food manufacturing units. By optimizing processes and minimizing waste generation, we aim to reduce our environmental footprint and conserve natural resources. Our state-of-the-art QA, QC, and Microbiology departments ensure product quality, aligning with Good Manufacturing Practices (GMP) guidelines and Pharmacopoeia standards, thus minimizing material wastage and energy consumption.

## Social Initiatives:

### Access to Healthcare:

SMC EL produces high-quality, affordable medicines trusted by healthcare professionals and patients nationwide. With an affordable price maintaining high-quality pharmaceutical products plays a vital role in improving access to essential healthcare services, contributing to public health outcomes and societal well-being.

### Employee Welfare:

SMC EL prioritizes the welfare of its employees by providing a safe and inclusive work environment. Through regular training and development programs, we empower our employees to enhance their skills and contribute effectively to the company's success. Additionally, our commitment to fair labor practices ensures equitable treatment and opportunities for all employees.

### Governance Practices:

#### Credit Rating:

Credit Rating Information & Services Limited (CRISL) has assigned a favorable credit rating to SMC Enterprise Ltd based on audited financial statements and qualitative information. This rating reflects the company's sound creditworthiness and demonstrates our commitment to transparent financial reporting and strong governance practices.

### Compliance and Ethics:

SMC EL upholds the highest standards of corporate governance, compliance, and ethics in all its operations. We adhere to regulatory requirements and industry standards, ensuring our business practices' transparency, accountability, and integrity. Our commitment to ethical conduct extends to our relationships with stakeholders, fostering trust and credibility.

The detail of Corporate Governance is discussed in the separate chapter 'Corporate Governance Report' on Page 86 of this Annual Report.

SMC Enterprise Ltd is fully dedicated to maintaining environmental sustainability, social responsibility, and governance excellence. By taking the aforesaid initiatives the Company management aims to create long-term value for stakeholders while making a positive impact on society and the environment.

Year	Long-Term Rating	Short-Term Rating	Outlook	Valid Up to
2023	AA	ST-2	Stable	25.12.2024
2022	AA	ST-2	Stable	30.12.2023



# CREDIT RATING REPORT

2023

AA

**CRISL**

**redit Rating Information and Services Limited**

skshi Homes (1st, 4th & 5th Floor), 6/1/A, Segun Bagicha, Dhaka-1000, Bangladesh

l : 88-02-953 0991-3, Fax : 88-02-953 0995, E-mail : info@crisibd.com, Web : www.crisibd.com

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1992

*Setting global standard at national level*

December 27, 2023

CRISL/Rating/Decl/ 6257/23

Managing Director  
SMC Enterprise Limited  
SMC Tower 33, Banani C/A  
Dhaka-1213

**Sub: Announcement of Final Credit Rating**

Dear Sir,

In terms of your letter of appointment to rate your esteemed Client, we are pleased to announce the rating of SMC Enterprise Limited as,

Name of Organization	Rating			Rating date	Valid Up to
	LT	ST	Outlook		
SMC Enterprise Limited	AA	ST-2	Stable	26.12.2023	25.12.2024

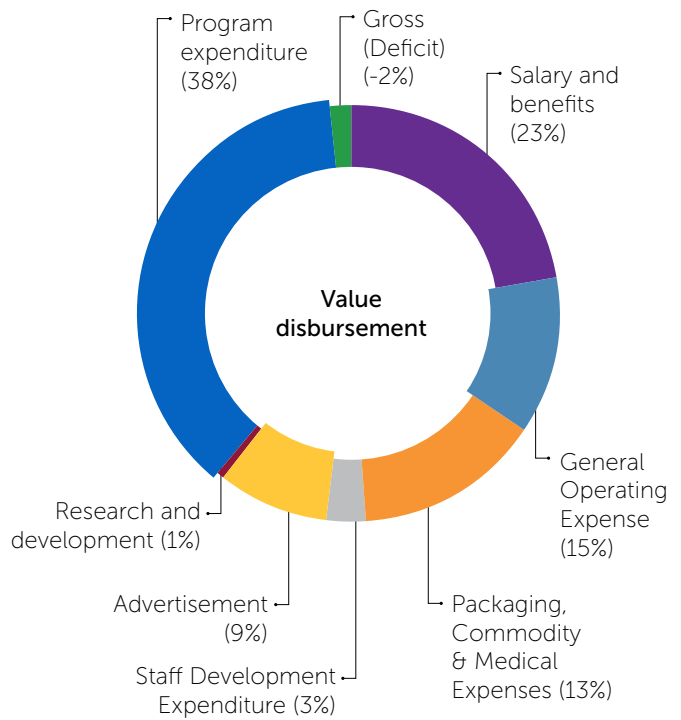
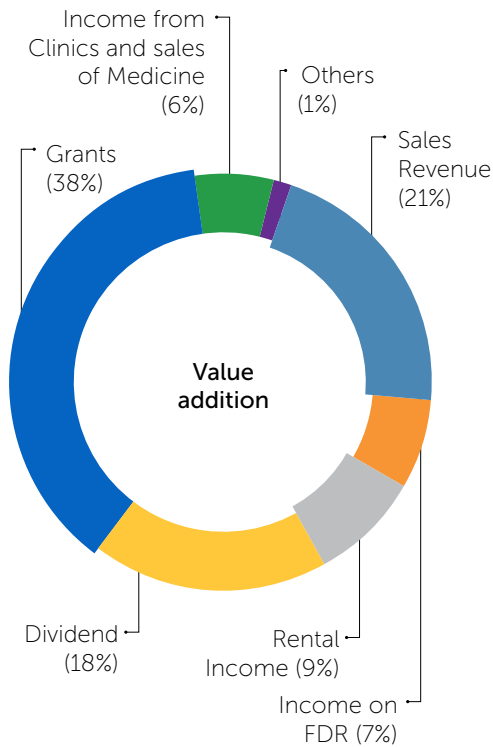
We offer our sincere thanks to you and the members of your organization for the heartiest cooperation extended to us while carrying out our responsibilities.

**This is a system generated declaration, does not required any signature.**

# VALUE ADDED STATEMENT

Value addition		
Particulars	Amount in Taka	%
Sales Revenue	301,934,568	21
Income on FDR	100,762,305	7
Rental Income	123,495,964	9
Dividend	259,999,867	18
Grants	538,924,909	38
Income from Clinics and sales of Medicine	86,363,974	6
Others	17,951,325	1
<b>Total</b>	<b>1,429,432,912</b>	

Value disbursement		
Particulars	Amount in Taka	%
Salary and benefits	330,661,682	23
Packaging, Commodity & Medical Expenses	180,081,897	13
General Operating Expense	213,070,647	15
Staff Development Expenditure	44,471,475	3
Advertisement	126,809,826	9
Research and development	8,694,473	1
Program expenditure	548,245,293	38
Gross (Deficit)	(22,602,381)	-2
<b>Total</b>	<b>1,429,432,912</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. Siddiqur Rahman Choudhury	Convener
2.	Mr. Muhammed Ali	Member
3.	Mr. Aftab ul Islam FCA	Member
4.	Mr. Muhammed Farhad Hussain FCA	Member
5.	Mr. Waliul Islam	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 eight meetings during the period 2022-2023. The Managing Director & CEO, SMC; Managing Director, SMC EL; DMD SMC EL, Operation; DMD SMC EL, Commercial; 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 occasion, as required.

## How the committee has discharged its responsibilities

In 2022-2023, the Audit Committee reviewed its terms of reference in line with the Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC). The Committee carried out its duties following 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 2023 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 2022-2023 and recommended the same to the Board for approval.

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

- Review the adequacy and effectiveness of the financial reporting process, internal control system, risk management, auditing matters, and the company's processes for monitoring compliance with laws and regulations and the Code of Conduct.
- Exercise its oversight of the work of the Internal Audit department of the company. Review the effectiveness of the Internal Audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and weaknesses and monitor the 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, 2023 and recommended to the Board for their 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, 2023, contained full disclosures and if these were prepared following 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 2022-2023 together with management's responses to the findings.
- Approved the Internal Audit Plan for 2023-2024, 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.

## Independence of external auditor

ACNABIN Chartered Accountants acted as statutory auditors of the company for the audit of financial statements as of 30 June 2023. 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 2023. 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

# IMPLEMENTATION OF SAP ERP PROJECT

**SAP** stands for Systems Applications and Products in Data Processing is an ERP based application software which integrate business solution for the core processors like production planning and control, supply chain, finance and accounts and administration. In last few years both SMC and SMC EL focused on the automation in field and other critical business operations which were considered as the preparation and prerequisite of implementing the ERP system in organization. Moreover, SAP ERP system can bring various advantages with major positive changes in the management, planning and control system of the organization.

For implementing the same, SAP S/4HANA (High Performance Analytic Appliance) 152 user license was procured in line with the recommendation of the Board Sub-committee for SAP ERP project implementation followed by the approval given by the Board. Altogether 7 modules (FICO, MM, PM, PP, QM & PM, HCM and SD) of SAP project were taken where the implementation are under process.

The following milestones of the SAP Project have already been completed:

- a. On Boarded the System Integrator (SI) and Consulting Company.
- b. Procured the required Cloud Hosting facilities and ensured the configuration for installing SAP project into the cloud.
- c. Prepared the Terms of Reference (ToR) of Business Process Owners (BPO), Core Team members (CTM), Master Data Management Team (MDMT), SAP Project Implementation Committee (SPIC) and Board Sub-Committee etc.
- d. Completed the AS-IS with facilitating total 72 sessions.
- e. Completed the TO-BE with conducting total 192 sessions.
- f. Made the Master Data preparation.
- g. Facilitated the total 12 workshops on the critical points.
- h. Completed the Configuration of the project.
- i. Ended the SIT (System Integration Testing).
- j. UAT (User Acceptance Testing) sign off program held on 12<sup>th</sup> October 2023 in off site location.

## User Acceptance Testing (UAT) Sign off Program



## SAP ERP Project kickoff



## Conducting an ongoing SAP Training session



# AWARD & RECOGNITION



# VAT AWARD - SMC EL



SMC Enterprise Limited has been acknowledged by the National Board of Revenue (NBR) for its outstanding commitment to VAT payments, earning recognition as one of the top contributors at the district level in the Manufacturing category for the Financial Year 2021-22.



SMC Enterprise Ltd. was awarded by the National Board of Revenue (NBR) as one of the highest VAT payers under the category of the manufacturing sector for FY 2020- 2021 at the national level.



# CELEBRATING EXCELLENCE - SMC & SMC EL

## Long Service Award

Long Service Award has been one of the promising ways introduced by SMC to build the pride and enthusiasm of employees through recognizing their dedication and loyalty to the Company. Only permanent employees are eligible for this award who have completed 15 years of continuous service with the Company. This year, a total of 100 employees from SMC EL and 11 from SMC received this award in several sessions held at the Area Offices, Factories and SMC Head Office. Mr. Toslim Uddin Khan, MD and CEO of SMC and Mr. Abdul Haque, the then MD of SMC EL joined the Head Office event and handed over awards among the eligible employees.



## Award of Excellence

As part of recognizing the best performing staff for their outstanding contribution to the company, SMC and SMC EL have jointly organized the 'Award of Excellence' event at SMC Head Office on January 4, 2023. A total of 30 employees of SMC and SMC EL received the said awards from MD and CEO, SMC and the then MD, SMC EL for FY 2020-21 and FY 2021-22 respectively. In four broad categories (achievement, innovation, cost savings and commitment), the awardees were evaluated after being nominated by the respective departmental heads. It is to be noted that SMC introduced this award to inspire the employees and bring excellence in the work they do and also motivate others as well.



# RECOGNITION OF OUTSTANDING ACHIEVEMENT AT NATIONAL LEVEL

## Joya Alokito Nari 2023

On the eve of the International Women's Day 2023, the Joya Alokito Nari program sponsored by Joya Sanitary Napkin was held on March 06, 2023 at the Hotel Pan Pacific Sonargaon, Dhaka. To promote the SMC flagship hygiene brand 'Joya', SMC EL has been organizing this special award program for the 9th consecutive years in collaboration with Rtv.

This year, six enlightened women were awarded for their immense contribution in various fields of the society. Freedom fighter commander Mrs. Ashalata Baidya, music personality Mrs. Rezwana Choudhury Bannya, scientist Professor Haseena Khan, social worker Mrs. Shefali Begum, women entrepreneur Mrs. Taslima Miji and badminton player Ms. Alina Sultana received the awards.

Mrs. Matia Chowdhury, Deputy Leader of the National Parliament and Chief Guest of the Program highly appreciated SMC and Rtv for this great initiative and requested to continue this effort for the benefit of the society. Amongst the dignitaries, Mr. Forhad Hossain MP, State Minister, Ministry of Public Administration; Mr. Md. Ashraf Ali Khan Khosru MP, State Minister, Ministry of Social Welfare; Alhaj Morshed Alam MP, Chairman, Rtv; His Excellency Mr. Iwama Kiminori, Japanese Ambassador to Bangladesh; Mr. Toslim Uddin Khan, MD and CEO, SMC spoke on the occasion and handed over crests and certificates to the winners.



## RTV-SMC MoniMix Award 2022

The fifth RTV-SMC MoniMix Award Giving Ceremony was held at the Pan Pacific Sonargaon hotel on December 20, 2022. The program was attended overwhelmingly by Ministers, renowned Educationists, celebrities, Cultural personalities, Development partners and high officials of the government, semi-government and civil society organizations. In the event, four individuals and two institutions were awarded in recognition of their outstanding contribution to the child health, education and development sector. The award giving ceremony was enriched with cultural shows followed by handing over crests and certificates to the winners by the high dignitaries in different intervals of the event.

In individual category, Ms. Jharna Dash Purakayastha (author) for her contribution to child literature, Mr. Liton Ganju for his immense contribution to the child education of the small ethnic community, Ms. Tamanna Akhtar Noora, a brave girl with disability who passed the SSC examination with a GPA-5 and Teen Eagle Champion Ms. Nahian Mahzabeen were awarded in the ceremony for securing first position in the International English Language Competition held in UK in 2022. In institutions category, 'Belgachi Yuva Samaj' for its significant contribution to the animal and environmental protection and Teen Youth Organization 'Dishari' for its great contribution to the overall socio-economic development and educational expansions for the marginalized children were honored in the program.

Mr. M A Mannan MP, Minister, Ministry of Planning; Mr. SM Rezaul Karim MP, Minister, Ministry of Fisheries and Livestock; Mr. K.M. Khalid MP, State Minister for Cultural Affairs; Mr. Md. Ashraf Ali Khan Khasru MP, State Minister for Ministry of Social Welfare; Mr. Waliul Islam, Chairman of the Board of Directors, SMC and SMC Enterprise Limited; Mr. Toslim Uddin Khan, Managing Director & CEO of SMC; Ms. Miranda Beckman, Deputy Office Director, OPHNE, USAID Bangladesh; Alhaj Morshed Alam MP, Chairman of RTV were present and spoke in the occasion.



## MoniMix Plus Khude Biggyani Award 2023

SMC will continue to work in support of this type of initiative to bring out the best in children. As a part of the initiatives second Deepto TV-SMC MoniMix Plus Khude Biggyani Award 2023 was held on March 14, 2023 at the Hotel Pan Pacific Sonargaon, Dhaka. This year, six selected little scientists were awarded in recognition of their credible achievements in science and ICT. Architect Yeafesh Osman, Honorable Minister for Ministry of Science and Technology graced the event as the Chief Guest while Mr. Farid Ahmed, Secretary, Ministry of Primary and Mass Education, Dr. Jahir Uddin Ahmed, Director, SMC and SMC EL Board, Mr. Toslim Uddin Khan, MD and CEO, SMC, Dr. Umme Salma Jahan Meena, Family Health Team Lead, USAID Bangladesh and Mr. Kazi Zahedul Hasan, MD, Deepto TV, were present as the guests of honor.

During the program, the little scientists displayed their science and ICT projects at the lobby of the event venue and they answered questions and queries of the visitors. Congratulating the little scientists for their great achievements.



# ANNUAL EVENTS



# SMC EL ANNUAL SALES CONFERENCE: ELEVATING STRATEGIES, AMPLIFYING SUCCESS



The Annual Sales Conference of SMC Enterprise Ltd (SMC EL) was held at the Hotel Sea Palace Ltd in Cox's Bazar on September 10, 2023. Mr. Waliul Islam, Chairman, Board of Directors, Social Marketing Company (SMC) & SMC EL graced the occasion as the chief guest. Mr. Siddiquir Rahman Choudhury, Former Chairman of the Board of Directors of SMC & SMC EL also joined the program as special guest where several Board Members were also attended. The program awarded outstanding achievers of SMC EL for their remarkable contributions in reaching the sales targets.



The Annual Sales Conference of SMC Pharmaceuticals, a division of SMC Enterprise Ltd, was held on September 10, 2023 at Hotel Sea Palace, Cox's Bazar. The theme of this year's conference was "Transform to Excel". Mr. Waliul Islam, Chairman, SMC and SMC EL Board, was present as the chief guest alongside the other distinguished Directors of SMC and SMC EL Board. Mr. Islam congratulated the Pharma Division for the successful achievements in the reporting period and distributed the awards amongst the top performers.

# ANNUAL PICNIC OF SMC

The Company's annual picnic took place on January 19, 2023, at CCULB Resort & Convention Hall, where employees from both factories and the head office enthusiastically participated, contributing to the grand success of the event.



# FINANCIAL STATEMENTS FY: 2022-23



SOCIAL MARKETING COMPANY



# 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 Consolidated Financial Statements

#### Opinion

We have audited the 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 2023, 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 information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, of the consolidated financial position of the Group as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting as described in note 2.1 of the financial statements.

#### 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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The consolidated financial statements of the Group for the year ended 30 June 2022 were audited by mabs & J partners Chartered accountants, who expressed an unmodified opinion on these consolidated financial statements on 21 December 2022.

#### Other Information

Management is responsible for the other information. The other information comprises all the information but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, there is a material misstatement therein; we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of the consolidated financial statements that give 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 requires the Management to ensure effective internal audit, internal control and risk management functions of the Group.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 Group 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on other Legal and Regulatory Requirements

We report that the consolidated financial statements comply with the Companies Act, 1994 and other applicable laws and regulations. We, as required by law, further report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of these books; and
- c. the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income of the Group dealt with by the report are in agreement with the books of account and returns.

Dhaka,  
08 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

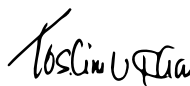
**Social Marketing Company**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2023

Particulars	Notes	30 June-2023 Taka	30 June-2022 Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,594,474,452	3,120,962,388
Right-of-use assets	4.2	341,441,953	461,367,294
Intangible assets	4.3	14,928,082	7,903,108
Capital work-in-progress	5	429,377,597	295,952,934
<b>Total non-current assets</b>		<b>4,380,222,084</b>	<b>3,886,185,725</b>
<b>Current assets</b>			
Inventories	6	3,088,128,329	2,345,702,227
Receivables	7	269,857,725	137,711,451
Advances, deposits and prepayments	8	2,035,942,244	1,992,315,556
Investment in fixed deposit	9	2,863,369,869	3,087,121,376
Cash and bank balances	10	1,317,161,354	1,235,959,284
<b>Total current assets</b>		<b>9,574,459,521</b>	<b>8,798,809,894</b>
<b>Total assets</b>		<b>13,954,681,605</b>	<b>12,684,995,619</b>
<b>Equity</b>			
Capital fund	11	2,695,325,643	3,174,814,168
Retained earnings	12	6,298,206,617	5,185,732,502
		<b>8,993,532,260</b>	<b>8,360,546,669</b>
<b>Non-controlling interest</b>		9,537	8,900
<b>Total equity</b>		<b>8,993,541,797</b>	<b>8,360,555,569</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Retirement benefit obligation-gratuity	13	100,543,286	28,923,208
Lease liabilities (Non-Current portion)	19	236,234,165	335,173,341
Deferred tax liability	27.1	40,603,747	46,480,427
<b>Total non-current liabilities</b>		<b>377,381,198</b>	<b>410,576,976</b>
<b>Current liabilities</b>			
Deferred income	14	151,843,201	127,386,111
Provision for income tax	15	1,123,818,234	1,088,404,338
Accounts and other payables	16	3,086,716,655	2,480,232,219
Workers' Profit Participation Fund & Welfare Fund	17	81,220,840	86,535,672
Security deposits	18	19,866,850	15,458,309
Lease liabilities (Current portion)	19	120,292,831	115,846,425
<b>Total current liabilities</b>		<b>4,583,758,610</b>	<b>3,913,863,073</b>
<b>Total equity and liabilities</b>		<b>13,954,681,605</b>	<b>12,684,995,619</b>

The annexed notes from 1 to 29 form an integral part of these consolidated financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Waliul Islam**  
Chairman

This is the Consolidated Statement of Financial Position referred to in our separate report of even date.

Dhaka,  
08 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



**Md. Moniruzzaman, FCA**  
Partner  
ICAB Enrollment No. 787

## Social Marketing Company

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 30 June 2023

Particulars	Notes	2022-2023 Taka	2021- 2022 Taka
Revenue	20	14,450,522,145	11,044,504,823
Cost of goods sold	21	(9,577,591,988)	(6,823,973,590)
<b>Gross profit</b>		<b>4,872,930,157</b>	<b>4,220,531,232</b>
<b>Operating expenses</b>			
Administrative expenses	22	(1,736,386,498)	(1,388,896,005)
Selling & marketing expenses	23	(1,547,330,942)	(1,254,678,850)
<b>Total operating expenses</b>		<b>(3,283,717,440)</b>	<b>(2,643,574,855)</b>
<b>Profit from operations</b>		<b>1,589,212,717</b>	<b>1,576,956,378</b>
<b>Other income</b>			
Grants income	25	538,924,909	475,620,453
Corporate income (Rent, Interest, Clinics etc.)	26	422,656,529	342,124,546
<b>Total other income</b>		<b>961,581,438</b>	<b>817,744,999</b>
<b>Net operating profit before finance &amp; program expenditure</b>		<b>2,550,794,155</b>	<b>2,394,701,377</b>
Finance expenses		(215,131,197)	(28,340,588)
Program expenditure	24	(993,848,412)	(756,166,931)
<b>Total finance and program expenditure</b>		<b>(1,208,979,609)</b>	<b>(784,507,519)</b>
<b>Net operating profit before WPPF &amp; WF for the year</b>		<b>1,341,814,546</b>	<b>1,610,193,858</b>
<b>Contribution to WPPF</b>		<b>(81,220,840)</b>	<b>(86,535,672)</b>
<b>Net profit before tax</b>		<b>1,260,593,706</b>	<b>1,523,658,186</b>
<b>Income tax expenses</b>			
Current income tax		(548,136,900)	(475,139,905)
Deferred tax income/(expense)	27	5,876,681	(18,115,595)
		<b>(542,260,219)</b>	<b>(493,255,500)</b>
<b>Net profit after tax</b>		<b>718,333,487</b>	<b>1,030,402,686</b>
<b>Profit attributable to:</b>			
Social Marketing Company		718,332,915	1,030,402,083
Non-controlling interest		573	603
		<b>718,333,487</b>	<b>1,030,402,686</b>

The annexed notes from 1 to 29 form an integral part of these consolidated financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Watiul Islam**  
Chairman

This is the Consolidated Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,  
08 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



**Md. Moniruzzaman, FCA**  
Partner  
ICAB Enrollment No. 787

**Social Marketing Company**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

Particulars	Capital fund	Retained earnings	Non-controlling interest	Total equity
	Taka	Taka	Taka	Taka
<b>Balance as on 01 July 2022</b>	3,174,814,168	5,185,732,502	8,900	8,360,555,569
Surplus/(deficit) for the year - SMC (excluding dividend)	(398,415,121)	-	-	(398,415,121)
Less: Adjustment of Corporate Tax for FY19-20 & FY20-21	(62,902,052)	-	-	(62,902,052)
Less: Adjustment of additional VAT from FY2016 to FY2021	(18,171,352)	-	-	(18,171,352)
Less: Adjustment for final demand of tax for AY 2019-20 & AY 2021-22 (SMC EL)	-	(4,273,920)	-	(4,273,920)
Non-controlling interest-FY 2021-22	-	-	(135)	(135)
Profit for the year - SMC Enterprise Limited	-	1,116,748,035	573	1,116,748,608
Add: Non-controlling interest	-	-	200	200
<b>Balance as at 30 June 2023</b>	<b>2,695,325,643</b>	<b>6,298,206,617</b>	<b>9,537</b>	<b>8,993,541,797</b>
<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 (excluding dividend)	(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>

The annexed notes from 1 to 29 form an integral part of these consolidated financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Waliul Islam**  
Chairman

Dhaka,  
08 November, 2023

**Social Marketing Company**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

Particulars	2022-2023 Taka	2021-2022 Taka
<b>A Cash flows from operating activities</b>		
<b>Net profit before interest and taxes</b>	1,735,724,770	1,688,498,704
Dividend Received	(259,999,867)	(136,499,930)
<b>Item not involving in movement of cash:</b>		
Gain on sale of fixed assets	(370,553)	(98,244)
Depreciation on property, plant and equipment	314,049,116	391,794,261
	<b>1,789,403,467</b>	<b>1,943,694,791</b>
<b>Changes in working capital/Non Operating/ Non Cash Items:</b>		
(Increase)/Decrease in advances, deposit and prepayments	17,938,179	(530,169,997)
(Increase) in inventories	(746,328,650)	(603,801,285)
Increase in accounts receivables	(59,090,194)	(41,365,815)
(Increase)/Decrease in other receivables	(93,378,095)	1,507,239
Increase in provision for WPPF	(5,314,832)	5,917,816
(Decrease)/Increase in provision for gratuity	71,620,078	(52,817,070)
Increase in other payable	354,952,725	1,396,896,469
Increase in security deposits	4,408,541	2,272,262
Increase/(Decrease) in accounts payables	275,715,812	(510,410,869)
(Decrease)/Increase of Lease Liability	(94,434,369)	141,250,460
(Decrease)/increase in deferred income	24,457,090	56,520,166
Payment of Finance Expenses	(215,131,196)	(28,340,588)
Adjustment of income tax	(659,635,194)	(564,294,698)
	<b>(1,124,220,106)</b>	<b>(726,835,908)</b>
<b>Net cash flow from operating activities</b>	<b>665,183,360</b>	<b>1,216,858,883</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(289,990,365)	(495,606,923)
Addition of ROU Assets	(5,996,702)	(257,759,494)
Disposal of Fixed Assets	607,541	17,467,465
Addition of capital work-in-progress	(512,353,140)	(140,039,501)
Investment in FDR	(677,799,580)	(1,666,776,720)
Encashment of FDR	901,551,091	1,311,665,865
<b>Net cash used in investing activities</b>	<b>(583,981,155)</b>	<b>(1,231,049,309)</b>
<b>C Cash flows from financing activities</b>		
Dividend Paid (Non-controlling interest)	(135)	(70)
<b>Net cash used in financing activities</b>	<b>(135)</b>	<b>(70)</b>
<b>Net increase/(decrease) cash and bank balances(A+B+C)</b>	<b>81,202,070</b>	<b>(14,190,496)</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>1,235,959,284</b>	<b>1,250,149,781</b>
<b>Cash and bank balances at end of the year</b>	<b>1,317,161,354</b>	<b>1,235,959,284</b>

The annexed notes from 1 to 29 form an integral part of these consolidated financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Waliul Islam**  
Chairman

Dhaka,  
08 November, 2023

# Social Marketing Company

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

### 1. Organisation 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. In pursuance of the section 28 together with the license from Ministry of Commerce, SMC is registered as a company with Limited Liability without the addition of word " limited" to its name and subject to the condition that it applies its profit and other income in promoting its objects and prohibits the payment of any dividend to its member. The Company is involved in the reproductive, health and nutrition programs for the people of the country. It is funded by Donors such as USAID, GAIN/CIFF, icddr/b/ACTB etc. through cash and contraceptive items and utilize resources of SMC. 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.

#### 1.1 Objective of the Company

In partnership with the government, development partners and the private sector, SMC was formed with the principal objective of improving the health and wellbeing of women, children and families through marketing the products and services in family planning, maternal & child health and nutrition all over the country. The other objectives of the Company for which it was also established for, are 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 Bangladesh

### 2. Basis of preparation of financial statements

#### 2.1 Statement of compliance

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

\*as per donor agreement capital expenditure have been recognized in accordance with Note 3.14 & 3.15.

#### 2.2 Principles of consolidation/basis 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 2023

The complete set of Financial Statements includes the following components:

- Consolidated Statement of Financial Position as at 30 June 2023;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023;
- Consolidated Statement of Changes in Equity for the year ended 30 June 2023;
- Consolidated Statement of Cash Flows for the year ended 30 June 2023; and
- Notes to the Consolidated Financial Statements for the year ended 30 June 2023.

#### **2.4 Functional and presentational currency**

These financial statements are prepared in Bangladeshi Taka (BDT), which is the Company and its subsidiary's functional currency as well. All financial information presented in BDT has been rounded off 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 indirect method.

#### **2.7 Reporting period**

The accounting period of the Company has been determined to be from 01 July to 30 June each year. These financial statements cover twelve months from 01 July 2022 to 30 June 2023.

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.

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

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

Name of shareholder	Nationality	No. of shares	Face value	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. Toslim Uddin Khan	Bangladeshi	1	100	100
		<b>3,900,000</b>		<b>390,000,000</b>

### 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 unless stated otherwise.

#### 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 donated products at subsidized prices. Revenue from sale of donated products is recognized 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 from donors (grants in form of commodities) have been valued at realizable value and corresponding unearned revenue has been recognized as deferred income. The procured commodities are valued at periodic average price which includes C&F charges and other direct costs.

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

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. 10,000.00 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 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.

**3.3.3 Depreciation**

Depreciation is charged on property, plant and equipment (except Land) using reducing balance method (previously using straight line method) on written down value 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:

Asset category	
Land (HQ and Factory)	0
Buildings (HQ, Factory and CWH)	2.5 TO 5
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
Other equipment	20
Office equipment	20
Water treatment plant	15
Software development	20
Diesel reservoir	20

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**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.

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

Property Plant and Equipment (PPE) procured through donors fund are obligatory assets for the Company. Capital expenditures for donor funded program are reported to respective donors based on incurrence of actual expenditure. SMC records these expenditure as program expenses. To ensure control over the capital expenditure which qualifies fixed assets criteria are record in a separate fixed asset register. Depreciation is not charged to these capital expenditure till completion of program period. At the end of the project period, donor decides about usage of remaining fixed assets. SMC recognizes these fixed assets in its financial statements as property, plant & equipment with the appropriate consideration value/market value and corresponding fund is recognized in its financial statements.

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

**3.4.1.2 Investment in FDR**

Investment in FDR represents the term deposits into different Banks and NBFLs which are available for use by the Company without any restriction.

**3.4.1.3 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.

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**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.

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.

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**3.7.4 Workers' Profit Participation Fund & Welfare 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 upto date).

**3.7.5 Staff Welfare Assistance**

Staff Welfare Assistance (SWA) is paid each year and the amount is determined as per approved policy of the Board. Applicable tax burden of employees for this benefit is 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.

**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.

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**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.

**3.14 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

While preparing the financial statements, SMC applied most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable to the SMC:

No. of IAS	Name of IAS	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statements 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	*
19	Employee Benefits	Complied
20	Government Grants	Complied
21	The Effects of Changes in Foreign Exchanges Rates	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities & Contingent Assets	Complied
38	Intangible Assets	Complied
39	Financial Instruments: Recognition & Measurement	Complied

**Social Marketing Company**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

No. of IFRS	Name of IFRS	Remarks
7	Financial Instruments: Disclosures	Complied
12	Disclosures of interest in Other Entities	Complied
13	Fair value measurement	Complied
15	Revenue from Contracts with Customers	Complied
16	Leases	Complied

*\*Relevant disclosures are made according to the regulation of donors.*

**3.15 Compliance of donor regulations over IAS/IFRS**

In the following cases the Company followed donor regulations over IFRSs/IASs:

Contents	IAS/IFRS	Donor Regulation
Property, Plant and Equipment	Items of property, plant, and equipment should be recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably.	Items of property, plant, and equipment for programs are recognized as revenue expenditures as explained in note- 3.3.5

**3.16 General Information**

- i. Depreciation method has been change to reducing balance method from straight line method.
- ii. Statement of Cash Flows prepared by following indirect method from current year.
- iii. Account balances have been rearranged where necessary.



NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
<b>4.</b>	<b>Property, plant and equipment</b>		
	Opening Balance	4,733,108,912	4,376,111,591
	Add: Addition during the year	659,227,139	497,897,405
	Less: Sales/Adjustments during the year	(2,644,457)	(140,900,085)
	Less: Accumulated depreciation (note 4.1)	(1,795,217,142)	(1,612,146,523)
		<b>3,594,474,452</b>	<b>3,120,962,388</b>
<b>4.1</b>	<b>Accumulated depreciation</b>		
	Opening Balance	1,612,146,523	1,467,129,211
	Add: Charged during the year*	185,460,349	269,149,165
	Less: Sales/Adjustments during the year	2,389,730	124,131,852
		<b>1,795,217,142</b>	<b>1,612,146,523</b>
	<p>*In FY 2022-23, the method of depreciation on fixed assets has been changed from the straight line to the reducing balance method. Total depreciation charged on fixed assets would have been Tk. 253,142,465 if the straight line method was applied in FY 2022-23 instead of Tk 185,460,349. As per International Accounting Standard-8: Accounting Policies, Changes in Accounting Estimates and Errors, change in depreciation method is the change of accounting estimates (Ref. para 32 of IAS 8) which shall be recognized prospectively (Ref. para 36 of IAS 8). Accordingly, the Reducing Balance Method has been applied for depreciation calculation in FY 2022-23 only.</p> <p>This amount represents written down value at the date of financial statements. Details are shown in <b>Annexure- A.</b></p>		
<b>4.2</b>	<b>Right-of-use assets</b>		
<b>A</b>	Opening balance	670,658,119	412,898,625
	Add: Addition during the year	33,658,981	257,759,494
		704,317,100	670,658,119
	Less: Adjustments during the year	27,662,279	-
		<b>676,654,821</b>	<b>670,658,119</b>
<b>B</b>	<b>Accumulated depreciation</b>		
	Opening balance	209,290,825	89,828,162
	Add: Charged during the year	125,922,043	119,462,663
		<b>335,212,868</b>	<b>209,290,825</b>
	<b>Written down value (A-B)</b>	<b>341,441,953</b>	<b>461,367,294</b>
<b>4.3</b>	<b>Intangible assets</b>		
<b>A</b>	Opening balance	17,238,139	14,133,757
	Add: Addition during the year	9,691,701	3,803,614
	Less: Adjusted during the year	-	699,232
		<b>26,929,840</b>	<b>17,238,139</b>

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
<b>B</b>	<b>Accumulated depreciation</b>		
	Opening balance	9,335,031	6,152,596
	Add: Charged during the year	2,666,727	3,182,435
		<b>12,001,758</b>	<b>9,335,031</b>
	<b>Written down value (A-B)</b>	<b>14,928,082</b>	<b>7,903,108</b>
<b>5</b>	<b>Capital work-in-progress</b>		
	Construction work for expansion of FMD Factory	-	42,555,453
	Construction work for expansion of H&H Factory	-	191,563,925
	Cumilla Area Office	1,184,804	-
	Construction work at Khulna	2,928,088	1,452,788
	Construction work at Bhaluka for ORS factory	6,977,998	22,275,381
	Property, plant and equipment (Other than construction works)	101,189,630	36,560,729
	FMCG Production facilities at Bhabanipur	317,097,078	1,544,658
		<b>429,377,597</b>	<b>295,952,934</b>
	The movement of this amount is as under:		
	Opening balance	295,952,934	162,007,528
	Add: Addition during the year	512,353,140	139,110,251
		<b>808,306,074</b>	<b>301,117,780</b>
	Less: Transfer to property, plant and equipment during the year	378,928,477	5,164,846
		<b>429,377,597</b>	<b>295,952,934</b>
<b>6.</b>	<b>Inventories</b>		
<b>a.</b>	<b>SMCEL:</b>		
	Generator Fuel	4,297,080	2,213,307
	POP materials	17,603,655	21,623,567
	Work in Progress	20,588,446	29,292,032
	Spares parts	85,263,823	46,752,088
	Packaging Materials	370,225,980	269,432,588
	Raw Materials	999,502,208	830,892,704
	Finished Goods	1,502,384,575	1,004,337,149
		<b>2,999,865,767</b>	<b>2,204,543,435</b>
<b>b.</b>	<b>Donor products (USAID):</b>		
	Relax ( IUD )	98,017	111,937
	i-Plant ( Implant )	328,880	823,050
	Sayanapress	712,350	3,261,760
	SOMA-JECT	23,569,745	58,871,036
		<b>24,708,992</b>	<b>63,067,783</b>

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
c.	<b>Donor product (FullCare) (GAIN/CIFF) :</b>	<b>12,306,922</b>	<b>19,522,581</b>
d.	<b>SMC Pharmacy products:</b> SMC pharmacy products (Niltara and SMC Clinic)	<b>7,386,519</b>	<b>8,791,598</b>
e.	<b>SMC products:</b>		
	SOMA-JECT	-	9,370,352
	Pregnancy Test Kit	8,086	17,295
	Easy Clean (Paper Soap)	136,619	186,038
	SDK	1,607,696	1,521,273
	Quick Test	2,454,286	371,200
	SMC Zinc	3,787,632	7,637,981
	MoniMix Plus	5,152,730	5,229,416
	Vermicid	12,012,530	4,228,365
	MoniMix	18,700,550	21,214,910
		<b>43,860,129</b>	<b>49,776,830</b>
	<b>Total (a+b+c+d+e)</b>	<b>3,088,128,329</b>	<b>2,345,702,227</b>
<b>7.</b>	<b>Receivables</b>		
	Other receivables (note 7.1)	154,830,259	65,529,721
	Receivable from Sales (Other than SMC & Pharma)	33,822,589	55,156,343
	Receivable from Pharma Sales	81,204,878	17,025,387
		<b>269,857,725</b>	<b>137,711,451</b>
<b>7.1.</b>	<b>Other Receivables</b>		
	Receivable for TBA/NGO/Packing Bill	-	1,499,810
	Receivable from PF, GF & WPPF	-	81,091
	Sales VAT Receivable (Mushak-9.1)	-	1,077
	Receivable for Insurance claim	481,673	3,512,398
	Receivable from tenants (Utilities) & others	297,988	1,453,451
	Management fees from ACTB project	483,474	-
	Receivable from Donor (Overhead-MMS)	3,165,659	-
	BRAC Bank -credit card settlement	2,914,708	1,828,342
	Receivable for staff medical bill	638,900	498,250
	Interest income from Banks and NBFi's	73,217,254	35,587,017
	Receivable for Material Loan	26,526,656	21,068,285
	Receivable from ACME Agrvet & Beverage Ltd	36,249,775	-
	Interest income from Banks (MISHD)	1,881,034	-

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
	Receivable from IPDC (principal amount)	4,247,337	-
	Receivable from IIDFC (principal amount)	4,725,800	-
		<b>154,830,259</b>	<b>65,529,721</b>
<b>8.</b>	<b>Advances, Deposits and Prepayments</b>		
<b>a.</b>	<b>Advance</b>		
	Bank guarantee-Rupali/Uttara Bank Limited	-	1,360,000
	Excelsior Trading Corporation Ltd.	-	150,000
	Input VAT	-	21,727
	Badal and Company	-	220,798
	Advance to Employees Provident Fund	-	2,032,891
	Marks Automation Ltd.	1,665	55,500
	DHL Worldwide Express Ltd.	3,173	-
	HRC Lighting Limited	5,913	5,913
	Advance to contractors	18,500	31,317,439
	Abdul Monem Sugar Refinery Limited	155,184	19,958,666
	EASB (Endometriosis & Adenomyosis Society)	775,000	-
	Margin against Bank Guarantee	1,160,000	-
	Abu Shahed Emon	1,500,000	1,500,000
	Pragati life Insurance Ltd.	1,766,503	-
	Prepaid Expenses	1,794,519	-
	Current Account with-ORS factory	1,977,685	-
	Advance Against Salary	2,619,408	1,913,598
	Dhaka Takies	2,922,917	-
	Pragati Insurance Ltd	10,640,845	6,044,109
	Advance to Area offices	26,279,358	33,727,286
	City Sugar Industries Ltd.	38,400,000	-
	Advance to NGO Partners,contractor/house owner	38,830,080	6,000,000
	Meghna Sugar Refinery Ltd.	42,291,339	124,489
	Vehicle loans (note 8.1)	66,440,420	49,828,548
	VAT on Stock	101,471,151	42,037,839
	Advance against expenses	133,770,075	21,335,263
	Advance against import	480,793,076	672,720,085
	Advance income tax (note 8.2)	1,067,829,902	1,089,341,491
		<b>2,021,446,713</b>	<b>1,979,695,641</b>

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
<b>b.</b>	<b>Security Deposits</b>		
	Deposits against / with:		
	Bangladesh Telecommunications Company Limited	284,290	284,290
	Alpine Fresh Water	19,500	19,500
	Performance Security to BRAC	30,000	30,000
	Dhaka Electric Supply Authority	482,000	482,000
	Titas Gas Transmission and Distribution Company Limited	539,780	321,280
	Ansar and VDP	744,016	-
	Power Development Board (PDB)	768,000	768,000
	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	2,476,962
	Palli Biddut Samitee	6,054,620	6,054,620
		<b>12,399,166</b>	<b>11,436,652</b>
<b>c.</b>	<b>Prepayments</b>		
	Insurance Premium	2,096,365	1,183,265
	<b>Total (a+b+c)</b>	<b>2,035,942,244</b>	<b>1,992,315,556</b>
<b>8.1</b>	<b>Vehicles loans</b>		
	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	49,828,548	45,302,410
	Add: Loan given during the year	34,147,304	19,802,088
		83,975,852	65,104,498
	Less: Adjusted/Realised during the year	17,535,432	15,275,950
		<b>66,440,420</b>	<b>49,828,548</b>
<b>8.2</b>	<b>Advance income tax</b>		
	Opening balance	1,089,341,491	961,459,178
	Add: Advance given during the year	553,871,385	593,486,071
		<b>1,643,212,876</b>	<b>1,554,945,249</b>

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
	Less: Adjustment for the assessment year 2020-21	575,382,974	465,603,758
		<b>1,067,829,902</b>	<b>1,089,341,491</b>
<b>9.</b>	<b>Investment in fixed deposit</b>		
	This represents fixed deposit with banks and NBFIs:		
	Bank	2,227,422,430	2,081,796,345
	Non Banking Financial Institution (NBFI)	635,947,439	1,005,325,031
		<b>2,863,369,869</b>	<b>3,087,121,376</b>
<b>10.</b>	<b>Cash and bank balances</b>		
	Cash in hands	4,915,867	73,006,649
	Cash at banks	1,312,245,487	1,162,952,636
		<b>1,317,161,354</b>	<b>1,235,959,284</b>
<b>11.</b>	<b>Capital fund</b>		
	Opening balance	3,174,814,168	3,320,590,141
	Add: Transferred from statement of income and expenditure (excluding dividend)	(398,415,121)	(145,775,973)
	Less: Adjustment of Corporate Tax for FY19-20 & FY20-21	(62,902,052)	-
	Less: Adjustment of additional VAT from FY 2016-FY 2021	(18,171,352)	-
		<b>2,695,325,643</b>	<b>3,174,814,168</b>
<b>12.</b>	<b>Retained earnings</b>		
	Opening balance	5,185,732,502	4,009,554,446
	Less: Adjustment for final demand of tax for AY 2019-20 & AY 2021-22 (SMC EL)	(4,273,920)	-
	Profit for the year of SMC Enterprise Limited	1,116,748,035	1,176,178,056
		<b>6,298,206,617</b>	<b>5,185,732,502</b>
<b>13.</b>	<b>Retirement benefit obligation-gratuity</b>		
	For the FY 2021-22, gratuity fund is maintained as a separate set of accounts		
	Opening balance	28,923,208	81,740,278
	Add: Provision made during the year	100,543,286	81,149,276
		129,466,494	162,889,554
	Less: Transferred to fund during the year	28,923,208	81,740,278
	Less: Payment made during the year	-	52,226,068
		<b>100,543,286</b>	<b>28,923,208</b>
<b>14.</b>	<b>Deferred income</b>		
	Donated goods	<b>151,843,201</b>	<b>127,386,111</b>
	Deferred income has been recognised for the closing stock of donated goods and such goods are valued at realisable value.		

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
<b>15.</b>	<b>Provision for income tax</b>		
	Opening balance	1,088,404,338	1,118,652,226
	Add: Provision made during the year	629,206,154	475,139,905
	Less: Adjustment	(593,792,258)	(505,387,793)
		<b>1,123,818,234</b>	<b>1,088,404,338</b>
<b>16.</b>	<b>Accounts and other payables</b>		
	Payables to suppliers & others	742,672,971	465,521,552
	Payables to SMC area offices for expense reimbursement	1,054,876	4,183,778
	Payables to SMC (partner's) NGO's for reimbursement	17,399,739	14,006,719
	Advance received from donor's	165,011,795	204,735,576
	Security deposits from suppliers and contractors	13,469,863	20,172,174
	Advance rent received from tenants (SMC Tower)	27,073,151	16,175,907
	Payable for car maintenance	680,666	-
	Security deposits from tenants (SMC Tower)	-	5,393,520
	Liabilities for distributors' payment	8,115,860	1,384,502
	Payable for gratuity loan	1,016,973	699,551
	Shromik O Kormochary League	27,600	23,800
	Withholding tax and VAT	820,473	33,793,279
	Liabilities for expenses	207,118,310	112,158,308
	Advance collection from customers	247,366	300,366
	Provision for Incentive & SWA	111,344,552	125,321,226
	Payable to PF, GF & WPPF	36,558,977	15,743,122
	Advance Trade VAT	921,849	-
	Liability for inventory write off	-	9,425,893
	Liabilities for UPAS LCs	1,663,653,476	1,443,474,722
	Sales VAT payable	87,063,700	-
	Payroll tax payable	2,464,458	12,061
	Current account with ORS factory	-	7,706,162
		<b>3,086,716,655</b>	<b>2,480,232,219</b>
<b>17.</b>	<b>Provision for Worker's Profit Participation Fund &amp; Welfare Fund</b>		
	Opening Balance	86,535,672	80,617,856
	Add: Addition during the year	81,220,840	86,535,672
		<b>167,756,512</b>	<b>167,153,528</b>
	Less: Paid during the year	86,535,672	80,617,856
		<b>81,220,840</b>	<b>86,535,672</b>

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
<b>18.</b>	<b>Security deposits</b>		
	Neptune Advertisers	111,790	111,790
	Adway Publicity	288,916	288,916
	Azad Art Hall	163,363	163,363
	Aziz & Company Ltd.	96,330	96,330
	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	964,588	775,586
	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
	Nodi Enterprize	94,500	94,500
	Gray Advt.(BD) Ltd.	37,791	37,791
	Nazma Construction Co.	-	1,373,504
	ISE LTD.	64,780	64,780
	Noor Ad.	72,000	72,000
	Uranus Communication	183,000	183,000
	OOH Leader & Printers	362,250	362,250
	Confidence Trade Limited	690,744	198,768
	ICEL Private Limited	1,354,793	447,431
	THREE STAR ENGINEERING WORKS	237,506	237,506
	Tarique Hasan & Associates Limited	246,734	48,104
	Electro Mart Ltd.	233,976	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



NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
	Marn Steel Structure Ltd.	250,685	211,393
	Base Technologies Ltd.	813,165	813,165
	BD TECHNO RIZE LTD	462,857	-
	Spectra Engineers Limited	6,792,238	-
	Energeex Engineering Ltd	298,544	-
	Hamlet Engineering	999,277	-
	PEB Steel Alliance Ltd	560,319	-
	HORIZON TECHNO LTD.	78,900	-
	Rancon Industrial Solutions Limited	709,415	-
	ACME ELECTRONICS LIMITED	371,108	-
		<b>19,866,850</b>	<b>15,458,309</b>
<b>19.</b>	<b>Lease liabilities</b>		
	Lease liabilities (IFRS 16)		
	Current portion	120,292,831	115,846,425
	Non Current portion	236,234,165	335,173,341
		<b>356,526,996</b>	<b>451,019,766</b>
<b>20.</b>	<b>Revenue</b>		
	Sales revenue	16,309,520,774	12,420,083,415
	Value Added Tax	1,658,585,310	1,276,164,649
	Sales return	1,694,792	1,965,032
	Discount on sales	198,718,528	97,448,911
		<b>14,450,522,145</b>	<b>11,044,504,823</b>
<b>21.</b>	<b>Cost of goods sold</b>		
	Opening stock	1,054,113,978	1,157,207,699
	Production cost (note 21.1)	9,966,203,748	6,609,435,146
	Purchase during the year	121,802,607	111,444,724
	Closing stock	1,564,528,345	1,054,113,978
		<b>9,577,591,988</b>	<b>6,823,973,590</b>
<b>21.1</b>	<b>Production cost</b>		
	Consumption of raw materials	3,751,655,911	2,253,865,240
	Consumption of packing materials	1,788,260,106	1,191,674,544
	Factory Overhead	1,183,570,410	987,476,519
	Purchase of commodities during the year	3,215,730,094	2,188,256,653

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
	Allowance for inventory write off	18,283,640	3,902,547
	Opening work in process	29,292,032	13,551,676
	Less: Closing work in process	20,588,446	29,292,032
		<b>9,966,203,748</b>	<b>6,609,435,146</b>
<b>22</b>	<b>Operating expenses</b>		
	Salaries and benefits	1,094,432,670	838,930,097
	Human Resource Supplier & Management	1,070,862	655,613
	Rent	77,222,379	45,582,769
	Electricity Bill	6,700,599	6,058,625
	GAS Bill	495,540	269,753
	Water Bill	241,296	289,348
	Internet Service	1,146,347	817,941
	Credit Rating Services	107,500	138,000
	Telephone Bill	17,155,231	14,070,204
	Bank & NBFi Service	6,096,569	3,806,330
	Office Supply	67,068,810	40,018,130
	Repairing & Servicing	5,273,772	7,744,660
	Legal and professional expenses	4,303,018	4,644,424
	Product Registration Fees	149,614	252,478
	Courier and Express Mail Service	1,213,390	661,588
	Govt. Taxes & License fees	23,670,570	24,935,387
	Security service	20,376,439	13,091,652
	Tear note exchange expenses	139,228	111,800
	Board Meeting Fees	6,153,285	4,768,930
	Recruitment Expenses	2,770,186	2,359,140
	Bad Debt Expenses	357,005	-
	Software & Hardware Support Services	11,824,666	8,873,703
	Entertainment	13,320,700	6,360,410
	Meeting & conference exp.	14,691,262	11,464,760
	Insurance Expenses (General)	12,402,582	13,640,749
	Life Insurance	2,755,731	2,349,386
	Audit fees	707,250	640,000

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
	Staff/Workers free Breakfast, Lunch & Dinner	6,643,698	1,711,414
	Sample Expenses	37,096	614,991
	Medical Expenses	14,178,328	10,428,573
	House Cleaning and Maintenance	2,810,656	1,240,568
	Uniform & Liveries	1,156,746	1,044,083
	BRTA Expenses (Tax, Fitness etc)	692,723	930,164
	Printing Expenses	272,043	5,087,643
	Fuel from Petrol Pump	66,198,648	39,431,405
	Subscription on Trade & Professional Bodies (registered)	109,358	-
	Automobile Garage & Workshops	10,973,806	11,421,512
	Consulting & Supervisory Fees	13,045,215	2,543,721
	Interest Expenses (Lease-ROU assets)	25,946,625	25,844,635
	Depreciation	100,955,940	125,439,137
	Travel and transportation	13,492,306	12,523,390
	Packaging materials expenses	-	2,037,337
	General operating expenses	67,858,335	84,462,585
	Municipal tax	9,572,695	4,994,450
	Advertisement	1,834,165	1,554,080
	Research and development	5,454,014	3,519,543
	Program expenses	-	1,056,477
	Staff development expenses	3,307,603	474,419
		<b>1,736,386,498</b>	<b>1,388,896,005</b>
<b>23</b>	<b>Selling &amp; distribution expenses</b>		
	Advertisement Expenses	318,804,951	273,866,598
	Promotional Expenses	92,497,247	124,370,842
	Training Expenses	5,776,821	3,584,949
	RMP/TBA/Seminar/GDS	1,291,458	-
	Research & Development	4,836,527	3,242,690
	Office Supply	77,234,278	-
	Incentive	52,075,907	59,616,386
	Local Traveling & Conveyance	230,593,285	160,145,105
	Cartage & porter	109,856,693	85,373,147

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
	Transport Contractors	332,842,589	258,767,714
	SR/Deliveryman/part time workers salary & wages	209,070,849	174,459,696
	Fuel from Petrol Pump (Gas)	34,305,875	26,942,588
	Depreciation	78,144,463	84,309,135
		<b>1,547,330,942</b>	<b>1,254,678,850</b>
<b>24.</b>	<b>Program expenditure</b>		
	Salary & benefits	130,432,272	109,315,155
	Travel & transportation	27,655,296	20,376,281
	Packaging materials	8,033,403	6,029,924
	General operation expenses	103,739,575	108,213,709
	Advertisement & promotion	124,975,661	102,676,629
	Medicine expenditure	44,329,186	29,396,588
	Research & development	3,240,459	4,764,690
	Staff development	16,270	-
	Depreciation	3,180,998	4,673,417
	Program expenditure	386,719,768	226,426,724
	Program expenditure -partners'	161,525,524	144,293,814
		<b>993,848,412</b>	<b>756,166,931</b>
<b>25.</b>	<b>Grants income</b>		
	USAID	304,145,660	244,734,802
	MMS/CIFF	168,597,145	177,393,899
	icddr'b	66,182,104	53,491,752
		<b>538,924,909</b>	<b>475,620,453</b>
<b>26.</b>	<b>Other Income</b>		
	Break-up of the above is as follows:		
<b>a.</b>	<b>Bank interest</b>		
	Interest received on FDRs	192,865,494	151,409,768
	Interest received on STDs	7,106,721	4,669,160
		<b>199,972,215</b>	<b>156,078,928</b>
<b>b.</b>	<b>Members' subscription</b>	<b>22,000</b>	<b>42,020</b>
<b>c.</b>	<b>Building rental Income (SMC &amp; SMC Tower-2)</b>	<b>123,495,964</b>	<b>102,788,036</b>

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
<b>d.</b>	<b>Miscellaneous income</b>		
	Sale of scraps	11,065,433	5,596,882
	Gain/(loss) on sale of fixed assets	523,791	410,302
	Insurance claim	140,000	263,648
	Income from service through -Consultant	4,939,775	4,404,590
	Income from service through -Lab	17,919,147	15,478,647
	Income from sale of medicine	47,331,189	34,101,700
	Vehicle rental income from SMC staff	153,062	82,629
	Management fee	13,658,088	18,577,579
	Lease income	3,435,866	3,493,687
	Other income	-	805,896
		<b>99,166,350</b>	<b>83,215,562</b>
	<b>Grand-Total (a+b+c+d)</b>	<b>422,656,529</b>	<b>342,124,546</b>
<b>27.</b>	<b>Deferred tax (income)/ expense (SMC Enterprise)</b>		
	Closing balance of Deferred tax liability	40,603,747	46,480,427
	Opening Balance of Deferred tax liability	(46,480,427)	(28,364,832)
	<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>(5,876,681)</b>	<b>18,115,595</b>
<b>27.1</b>	<b>Deferred tax liability</b>		
	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	(46,480,427)	(28,364,832)
	Add: Addition during the year	5,876,681	(18,115,595)
		<b>(40,603,747)</b>	<b>(46,480,427)</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
As at 30 June 2023			
Property, plant and equipment - (Excluding land)	559,583,119	542,390,291	17,192,828
Permanent difference for Vehicle exceeding Tk 30,00,000	1,295,761	-	1,295,761

NOTE	PARTICULARS	30.06.2023 TAKA	30.06.2022 TAKA
			18,488,589
	Gratuity provision (32,826,257)		(32,826,257)
	Taxable temporary difference		(14,337,668)
	Applicable tax rate		30.00%
	<b>Deferred tax liability</b>		<b>(4,301,300)</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 2022</b>		
	Property, plant and equipment - (Excluding land) 577,013,142 541,639,982		35,373,160
	Permanent difference for Vehicle exceeding Tk 2,500,000 - -		-
			35,373,160
	Gratuity provision (15,743,122)		(15,743,122)
	Taxable temporary difference		19,630,038
	Applicable tax rate		30.00%
	<b>Deferred tax liability</b>		<b>5,889,011</b>
		<b>30 Jun 2023 TAKA</b>	<b>30 Jun 2022 TAKA</b>
<b>28.1</b>	<b>Deferred tax (income)/ expense</b>		
	Closing balance of deferred tax liability	(4,301,300)	5,889,011
	Opening Balance of deferred tax liability	3,896,055	9,785,066
	<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>(405,245)</b>	<b>(3,896,055)</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 of ITO 1984). As per u/s 71 of ITA 2023), unabsorbed depreciation due to business can be carried forward for succeeding years and can be charged against business income. SMC has unabsorbed depreciation 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 assets 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.

## 29. Event after 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 2023

Annexure - A  
(Amount in Taka)

Particulars	Cost			Rate %	Depreciation			Written down value as at 30 June 2023
	Balance at 01 July 2022	Addition during the year	Sales/ adjustment during the year		Balance at 30 June 2023	Charged during the year	Sales/ adjustment during the year	
Land	1,012,454,699	-	-	-	1,012,454,699	-	-	1,012,454,699
Building	1,271,985,918	356,654,180	-	2.5 & 5	1,628,640,098	35,154,806	-	1,319,540,219
Lift	99,043,210	2,756,090	-	20	101,799,300	5,774,916	-	76,480,403
Power Sub-Station	123,265,078	10,376,249	-	20	133,641,327	6,976,565	-	96,151,091
Fire Control System	58,016,263	8,351,958	-	20	66,368,221	3,568,179	-	47,349,489
Central warehouse equipment	31,644,396	8,624,000	-	10	40,268,396	1,985,130	-	15,977,636
Central A/C System	248,076,114	16,262,274	-	20	264,338,388	7,650,497	-	230,983,508
Diesel reservoir	615,692	-	-	20	615,692	9,580	-	577,371
Deep Tubewell (Factory)	1	2,480,971	-	15	2,480,972	299,739	-	2,181,233
Plant & Machinery	1,188,600,610	164,258,665	-	10	1,352,859,275	85,497,656	-	491,457,562
QC Equipment	56,968,163	13,438,355	-	10	70,406,518	5,351,910	-	19,697,583
Furniture & Fittings	77,842,968	18,976,491	39,298	10	96,780,161	5,760,518	18,199	35,263,286
Vehicles	179,672,848	13,527,279	2,256,971	20	190,943,156	5,660,727	2,192,575	159,110,164
Other Equipment	236,613,582	-	45,219	20	218,755,330	2,954,957	40,354	221,669,933
Office Equipment	141,873,466	40,042,561	302,969	20	181,613,058	18,100,294	138,602	88,573,265
Water treatment plant	3,635,417	-	-	15	3,635,417	190,635	-	1,919,705
Renovation & Decoration	2,800,487	3,478,066	-	10	6,278,553	524,240	-	606,528
<b>Tangible Assets</b>	<b>4,733,108,912</b>	<b>659,227,139</b>	<b>2,644,457</b>		<b>1,612,146,523</b>	<b>185,460,349</b>	<b>2,389,730</b>	<b>1,795,217,142</b>
Intangible assets (Software)	17,238,139	9,691,701	-		9,335,029	2,666,727	-	12,001,756
Right of use (ROU) assets	670,658,119	33,658,981	27,662,279		209,290,825	125,922,043	-	335,212,868
<b>Total-(FY2022-2023)</b>	<b>5,421,005,169</b>	<b>702,577,821</b>	<b>30,306,736</b>		<b>1,830,772,377</b>	<b>314,049,119</b>	<b>2,389,730</b>	<b>2,142,431,766</b>
<b>Tangible Assets</b>	<b>4,376,111,591</b>	<b>497,897,405</b>	<b>140,900,085</b>		<b>1,467,129,211</b>	<b>269,149,165</b>	<b>124,131,853</b>	<b>1,612,146,523</b>
Intangible assets (Software)	14,133,757	3,803,614	699,232		6,152,595	3,182,435	-	9,335,030
Right of use (ROU) assets	412,898,625	257,759,494	-		89,828,162	119,462,663	-	209,290,824
<b>Total-(FY2021-2022)</b>	<b>4,803,143,973</b>	<b>759,460,513</b>	<b>141,599,317</b>		<b>1,563,109,968</b>	<b>391,794,263</b>	<b>124,131,853</b>	<b>1,830,772,377</b>
<b>Tangible Assets</b>	<b>3,120,962,388</b>	<b>3,120,962,388</b>	<b>3,120,962,388</b>		<b>3,120,962,388</b>	<b>3,120,962,388</b>	<b>3,120,962,388</b>	<b>3,120,962,388</b>
Intangible assets (Software)	7,903,109	7,903,109	7,903,109		7,903,109	7,903,109	7,903,109	7,903,109
Right of use (ROU) assets	461,367,295	461,367,295	461,367,295		461,367,295	461,367,295	461,367,295	461,367,295
<b>Total-(FY2021-2022)</b>	<b>3,590,232,792</b>	<b>3,590,232,792</b>	<b>3,590,232,792</b>		<b>3,590,232,792</b>	<b>3,590,232,792</b>	<b>3,590,232,792</b>	<b>3,590,232,792</b>

# Auditor's Report

## and Standalone Financial Statements

### SMC



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Social Marketing Company

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Social Marketing Company (SMC) ("the Company") which comprise the statement of financial position as at 30 June 2023, the statement of income and expenditure, statement of changes in capital fund and 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 information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and as explained in note 2.1.

#### 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 in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The financial statements of the Company for the year ended 30 June 2022 were audited by another auditor who expressed an unmodified opinion on these financial statements on 21 December 2022.

Management is responsible for the other information. The other information comprises all the information but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of financial statements that give 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. The Companies Act, 1994 requires the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on other Legal and Regulatory Requirements

We report that the financial statements comply with the Companies Act, 1994 and other applicable laws and regulations. We, as required by law, further report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- 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 and returns.

Dhaka,  
08 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787  
DVC: 2311210787AS761024

**Social Marketing Company**  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2023

Particulars	Notes	30 June 23 Taka	30 June 22 Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	840,479,678	857,909,701
Intangible Assets	4.2	765,959	555,268
Finance lease receivable	5.1	331,847,988	337,746,502
Investment in subsidiary	6	389,999,800	389,999,800
<b>Total Non-current assets</b>		<b>1,563,093,426</b>	<b>1,586,211,271</b>
<b>Current assets</b>			
Finance lease receivable	5.2	5,898,514	5,840,113
Inventories	7	88,262,562	141,158,792
Accounts and other receivables	8	124,937,510	109,146,305
Advance, deposits and prepayments	9	461,368,849	394,776,428
Investment in fixed deposits	10	1,693,996,485	1,575,273,376
Cash and bank balances	11	403,494,658	501,374,111
<b>Total current assets</b>		<b>2,777,958,579</b>	<b>2,727,569,124</b>
<b>Total Assets</b>		<b>4,341,052,005</b>	<b>4,313,780,396</b>
<b>Capital Fund &amp; Liabilities</b>			
<b>Capital Fund</b>	12	<b>3,176,825,270</b>	<b>3,396,313,929</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
		-	-
<b>Current liabilities</b>			
Provision for taxation	13	440,358,320	324,787,527
Accounts and other payables	14	572,025,214	465,292,829
Deferred income	15	151,843,201	127,386,111
Deferred tax liability	16	-	-
<b>Total current liabilities</b>		<b>1,164,226,735</b>	<b>917,466,467</b>
<b>Total Capital Fund and Liabilities</b>		<b>4,341,052,005</b>	<b>4,313,780,396</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Waliul Islam**  
Chairman

This is the statement of financial position referred in our separate report of even date.

Dhaka,  
08 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



**Md. Moniruzzaman, FCA**  
Partner  
ICAB Enrollment No. 787  
DVC: 2311210787AS761024

**Social Marketing Company**  
**STATEMENT OF INCOME AND EXPENDITURE**  
For the year ended 30 June 2023

Particulars	Notes	2022-2023 Taka	2021-2022 Taka
<b>Income</b>	<b>17</b>	<b>1,429,432,911</b>	<b>1,197,682,578</b>
<b>Expenditure</b>			
Salary and benefits	18	330,661,683	264,270,199
Travel expenditure	19	41,147,602	32,899,671
Packaging materials	20	8,033,403	8,067,261
General operating expenses	21	171,597,910	192,676,294
Municipal Tax		9,572,695	4,994,450
Advertisement	22	126,809,826	104,230,709
Commodity & Medicine expenses	23	172,048,494	146,498,987
Research and development	24	8,694,473	8,284,233
Program expenditure	25	548,245,293	371,777,015
Depreciation (Annexure-A)		31,900,042	47,528,993
Staff development expenditure	26	3,323,873	474,419
<b>Total Expenditure</b>		<b>1,452,035,292</b>	<b>1,181,702,231</b>
<b>Gross (Deficit)/Surplus before tax</b>		<b>(22,602,381)</b>	<b>15,980,347</b>
Income tax expense			
Current tax expense		(115,812,874)	(25,256,390)
Deferred tax (income)/expense	16	-	-
		<b>(115,812,874)</b>	<b>(25,256,390)</b>
<b>Net deficit after tax</b>		<b>(138,415,255)</b>	<b>(9,276,043)</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Waliul Islam**  
Chairman

This is the statement of financial position referred in our separate report of even date.

Dhaka,  
08 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



**Md. Moniruzzaman, FCA**  
Partner  
ICAB Enrollment No. 787  
DVC: 2311210787AS761024

**Social Marketing Company**  
STATEMENT OF CHANGES IN CAPITAL FUND  
For the year ended 30 June 2023

Particulars	Capital Fund Taka
<b>Balance as of 01 July 2022</b>	<b>3,396,313,929</b>
Less: Net deficit after tax	(138,415,255)
Less: Adjustment for the final assessment of FY 2019-20 & FY 2020-21	(62,902,052)
Less: Adjustment of additional VAT from FY 2016-FY 2021	(18,171,352)
<b>Balance as at 30 June 2023</b>	<b>3,176,825,270</b>
<b>For the year ended 30 June 2022</b>	
<b>Balance as of 01 July 2021</b>	3,405,589,972
Add: Net deficit after tax	(9,276,043)
<b>Balance as at 30 June 2022</b>	<b>3,396,313,929</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.



**Tapan Bala FCMA FCA**  
Chief Financial Officer



**Toslim Uddin Khan**  
Managing Director & CEO



**Waliul Islam**  
Chairman

Dhaka,  
08 November, 2023

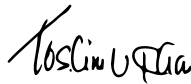
**Social Marketing Company**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2023

	2022-2023 Taka	2021-2022 Taka
<b>A. Cash flows from operating activities</b>		
Net (deficit)/surplus before tax	(22,602,381)	15,980,347
Dividend received	(259,999,867)	(136,499,930)
<b>Item not involving in movement of cash:</b>		
Gain on sales of fixed assets	(370,553)	(98,244)
Depreciation on property, plant and equipment	31,900,041	47,528,994
	<b>(251,072,759)</b>	<b>(73,088,833)</b>
<b>Changes in working capital/Non Operating/ Non Cash Items</b>		
Decrease in Finance lease receivable	5,898,514	5,840,115
Increase in Finance lease receivable (Current portion)	(58,401)	(57,823)
Decrease/(Increase) in inventories	52,896,230	(39,753,199)
(Increase)/decrease in accounts receivable	(15,791,205)	32,210,464
Increase in advances, deposit and prepayments	(4,969,153)	(19,907,178)
Increase/(decrease) in accounts and other payables	106,691,724	(72,905,260)
Increase in deferred income	24,457,090	56,520,166
Income Tax paid during the year	(142,880,352)	(63,729,166)
	<b>26,244,447</b>	<b>(101,781,881)</b>
<b>Net cash used in operating activities</b>	<b>(224,828,313)</b>	<b>(174,870,714)</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(14,698,452)	(40,186,417)
Proceeds from sale of property, plant and equipment	370,555	8,325,998
Investment in FDR	(450,663,158)	(844,913,277)
Encashment of FDR	331,940,049	851,761,208
<b>Net cash used in investing activities</b>	<b>(133,051,006)</b>	<b>(25,012,488)</b>
<b>C. Cash flows from financing activities</b>		
	-	-
Dividend Income	259,999,867	136,499,930
<b>Net cash flow from financing activities</b>	<b>259,999,867</b>	<b>136,499,930</b>
<b>Net decrease in cash and bank balances (A+B+C)</b>	<b>(97,879,452)</b>	<b>(63,383,272)</b>
Cash and bank balances at the beginning of the year	501,374,111	564,757,382
<b>Cash and bank balances at the end of the year</b>	<b>403,494,658</b>	<b>501,374,111</b>

The annexed notes from 1 to 27 form an integral part of these financial statements.



Tapan Bala FCMA FCA  
Chief Financial Officer



Toslim Uddin Khan  
Managing Director & CEO



Waliul Islam  
Chairman

Dhaka,  
08 November, 2023

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**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. In pursuance of the section 28 together with the license from Ministry of Commerce, SMC is registered as a company with Limited Liability without the addition of word " limited" to its name and subject to the condition that it applies its profit and other income in promoting its objects and prohibits the payment of any dividend to its member. The Company is involved in the reproductive, health and nutrition programs for the people of the country. It is funded by Donors such as USAID, GAIN/ CIFF, icddr'b/ACTB etc. through cash and contraceptive items and utilize resources of SMC. 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. C-118753/14.

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

**2.1 Statement of compliance**

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

\*as per donor agreement capital expenditure have been recognized in accordance with Note 3.15 & 3.16.

**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.

**2.3 Components of financial statements**

- Statement of Financial Position as at 30 June 2023
- Statement of Income and Expenditure for the year ended 30 June 2023
- Statement of Changes in Capital Fund for the year ended 30 June 2023
- Statement of Cash Flows for the year ended 30 June 2023; and
- Notes to the Financial Statements as at and for the year ended 30 June 2023.

**2.4 Functional and presentational currency**

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

**2.5 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

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

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. 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:

<b>Note - 4</b>	Depreciation of property, plant and equipment
<b>Note - 5.1</b>	Finance lease receivables
<b>Note - 7</b>	Inventories
<b>Note - 8</b>	Accounts and other receivables
<b>Note - 13</b>	Provision for income tax

**2.6 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 indirect method.

**2.7 Reporting period**

The accounting period of the Company has been determined to be from 01 July to 30 June each year (fiscal year). These financial statements cover twelve months from 01 July 2022 to 30 June 2023.

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements (if not stated otherwise), and have been applied consistently.

**3.1 Income**

**3.1.1 Revenue from SMC products, Clinic operations, Corporate income**

In compliance with the requirements of IFRS-15: Revenue is recognized only when it completes the 05 (five) steps.

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

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

The policy of the Company is to sell its donated products at subsidized prices. Revenue from sale of donated products is recognized 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.



**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**3.2 Inventories**

Donated commodities received from donors (grants in form of commodities) have been valued at realizable value and corresponding unearned revenue has been recognized as deferred income. The procured commodities are valued at periodic average price which includes C&F charges and other direct costs.

**3.3 Property, plant and equipment**

**3.3.1 Recognition and measurement**

Property, plant and equipment are recognized and measured at their acquisition cost when they are put into commercial use. Items of property, plant and equipment re-measured at cost less accumulated depreciation and any accumulated impairment losses.

Capital expenditure threshold of Tk. 10,000 has been fixed for recognition of property, plant and equipment. Immaterial items which are capital expenditures in nature are recorded 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 reducing balance method (previously using straight line method) on written down value 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:

Classification of Assets	Rate (%)
Building (SMC Tower & SMC Tower-2)	2.5
Lift (SMC Tower & SMC Tower-2)	20
Power sub-station	20
Fire alarm system	20
Central A/C system	20
Furniture and fittings	10
Vehicles	20
Office equipment	20
Other equipment	20
Intangible Asset (Amortization)	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 assets for the Company. Capital expenditures for donor funded program are reported to respective donors based on incurrence

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

of actual expenditure. SMC records these expenditure as program expenses. To ensure control over the capital expenditure which qualifies fixed assets criteria are record in a separate fixed asset register. Depreciation is not charged to these capital expenditure till completion of program period. At the end of the project period, donor decides about usage of remaining fixed assets. SMC recognizes these fixed assets in its financial statements as property, plant & equipment with the appropriate consideration value/ market value and corresponding fund is recognized in its financial statements.

**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 in FDR, Accounts and other receivables, Advance deposit & prepayments, investment in subsidiary, Financial lease.

**3.4.1.1 Cash and cash equivalents**

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

**3.4.1.2 Investment in FDR**

Investment in FDR represents the term deposits into different Banks and NBFIs which are available for use by the Company without any restriction.

**3.4.1.3 Accounts and other receivables**

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

**3.4.1.4 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 income and expenditure.

**3.4.1.5 Investment in subsidiary**

The Company has investment into SMC Enterprise Limited and currently it holds 99.9999% (3,899,998 number of shares out of 3,900,000 with a face value of Tk. 100 each) of total outstanding shares of SMC Enterprise Limited. The investment is measured and recognized at cost.

**3.4.1.6 Financial Lease (Lessor)**

The Company leased out land and building (schedule of land and building includes such assets 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 up to the year 2068 under finance lease. As per IFRS-16, with the company as a lessor, the present value of the lease payments are recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. The lease income is recognized over the lease term using the net investment method, which reflects a constant periodic rate of return.

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**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.

**3.4.2.1 Accounts and other payables**

The accounts and other payables includes payables to SMC Enterprise Ltd. (Subsidiary of SMC), advance received from donors and other miscellaneous payables.

**3.4.2.2 Contingent liabilities**

A contingent liability is a liability that may occur depending on the outcome of an uncertain future event due to past event and the event is beyond the control of the Company. A contingent liability is disclosed if the contingency is probable and the outcome of resources can not be estimated with sufficient reliability.

**3.4.2.3 Deferred income**

Deferred income has been recorded in corresponded with closing inventory of donated goods and against unearned revenue arises from sale of donated goods before obtaining approval from donors about recognising the sales as income.

**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 transactions**

Foreign currency transactions are converted into Bangladeshi Taka at exchange rates prevailing on the dates of transactions. Assets and liabilities in foreign currency at each reporting period is converted into Taka/BDT at the exchange rate prevailing on closing date.

**3.7 Foreign currency translations**

Transactions in foreign currencies are translated to Bangladeshi 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.

**3.8 Employee benefits**

**3.8.1 Short term benefits**

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

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**3.8.2 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. This fund is recognized by the NBR and its operation managed by the Trustees.

**3.8.3 Defined benefits plan**

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.

**Gratuity:**

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 1-4 Years -1 gratuity, Service 5 & above Years -1.5 gratuity and Service 10 Years & above -2 gratuity (In case of retirement , death or permanent disability)

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

**Ex-gratia:**

**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 &	21 Years of service & above = No Ex-gratia.

**3.8.4 Staff Welfare Assistance (SWA)**

Staff Welfare Assistance (SWA) is paid each year and the amount is determined as per approved policy of the Board. Applicable tax burden of employees for this benefit is borne by the Company.

**3.8.5 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.

**3.9 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.

**3.9.1 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 (currently at 27.5% rate) incurred or substantively incurred at the reporting date, and any adjustment to tax payable in respect of previous years any penalty imposed thereon.

**3.10 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 income and expenditure statement using the effective interest method.

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**3.11 Income tax**

Income tax expense comprises of current year tax and any arrear tax imposed by NBR. 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% (as per Income Tax Act 2023).

**Deferred tax**

Deferred tax is measured 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.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**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 Related party transaction**

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether the price is charged. As, the Company owned 99.9999% (3,899,998 number of shares out of 3,900,000 with a face value of Tk. 100 each) of ordinary shares of SMC Enterprise Limited is a related party and transactions with SMC Enterprise Limited are considered as related party transaction.

**3.14 Program Expense**

Program expense includes supplies and equipment for donor funded projects, expenditures with different partners and miscellaneous expense that are recorded as Modified Cash basis of accounting.

**3.15 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

While preparing the financial statements, SMC applied most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable to the SMC:

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

No. of IAS	Name of IAS	Remarks
1	Presentation of Financial Statements	*
2	Inventories	Complied
7	Statements 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	*
19	Employee Benefits	Complied
20	Government Grants	Complied
21	The Effects of Changes in Foreign Exchanges Rates	Complied
24	Related Party Disclosures	Complied
32	Financial Instruments: Presentation	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities & Contingent Assets	Complied
38	Intangible Assets	Complied
39	Financial Instruments: Recognition & Measurement	Complied
No. of IFRS	Name of IFRS	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
12	Disclosures of interest in Other Entities	Complied
13	Fair value measurement	Complied
15	Revenue from Contracts with Customers	Complied
16	Leases	Complied

\* Relevant disclosures are made according to the regulation of donors.

### 3.16 Compliance of donor regulations over IAS/IFRS

In the following cases the Company followed donor regulations over IFRSs/IASs:

Contents	IAS/IFRS	Donor Regulation
Presentation of Financial Statements	As per IAS-1, "Statement of Profit or Loss and Other Comprehensive Income" is one of the components of financial statements.	Statement of Income and Expenditure has been prepared by the Company.
Property, Plant and Equipment	Items of property, plant, and equipment should be recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably.	Items of property, plant, and equipment for programs are recognized as revenue expenditures as explained in note- 3.3.5.

**Social Marketing Company**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**3.17 General information**

- i) Statement of Changes in Equity has been renamed by Statement of Changes in Capital Fund;
- ii) Statement of Cashflows prepared by following indirect method from current year;
- iii) Account balances have been rearranged where necessary.

	30.06.2023 Taka	30.06.2022 Taka
<b>4 Property, plant and equipment</b>		
Opening Balance	1,323,016,643	1,328,476,409
Add: Addition during the year	14,332,833	38,852,119
Less: Sales/Adjustments during the year	(1,835,171)	(44,311,883)
Less: Accumulated depreciation (Note 4.1)	(495,034,627)	(465,106,944)
	<b>840,479,678</b>	<b>857,909,701</b>
<b>4.1 Accumulated depreciation</b>		
Opening Balance	465,106,943	454,342,865
Add: Charged during the year*	31,745,113	47,449,195
Less: Sales/adjustments during the year	(1,817,429)	(36,685,117)
	<b>495,034,627</b>	<b>465,106,944</b>

\*In FY 2022-23, the method of depreciation on fixed assets has been changed from the straight line to the reducing balance method. Total depreciation charged on fixed assets would have been Tk. 42,832,962 if the straight line method was applied in FY 2022-23 instead of Tk 31,745,113. As per International Accounting Standard-8: Accounting Policies, Changes in Accounting Estimates and Errors, change in depreciation method is the change of accounting estimates (Ref. para 32 of IAS 8) which shall be recognized prospectively (Ref. para 36 of IAS 8). Accordingly, the Reducing Balance method has been applied for depreciation calculation in FY 2022-23 only.

A schedule of preoperty, plant and equipment is given in **Annexure-A**

<b>4.2 Intangible assets</b>		
Opening Balance	635,066	-
Add: Addition during the year	365,619	1,334,298
Less: Sales/Adjustments during the year	-	(699,232)
Less: Accumulated depreciation (Note 4.3)	(234,726)	(79,798)
	<b>765,959</b>	<b>555,268</b>
<b>4.3 Accumulated amortization</b>		
Opening Balance	79,798	-
Charged during the year	154,928	79,798
	<b>234,726</b>	<b>79,798</b>

A schedule of intangible assets is given in **Annexure-A**

	30.06.2023 Taka	30.06.2022 Taka
<b>5. Finance lease receivable</b>		
Opening Balance	343,586,616	349,368,907
Less: Adjusted during the year	(5,840,113)	(5,782,292)
	<b>337,746,502</b>	<b>343,586,616</b>
<b>5.1 Non current portion of finance lease receivable</b>		
Above 1 year but up to 5 years	30,389,235	30,088,351
Above 5 years	301,458,753	307,658,151
	<b>331,847,988</b>	<b>337,746,502</b>
<b>5.2 Current portion of finance lease receivable</b>	<b>5,898,514</b>	<b>5,840,113</b>
<b>6. Investment in subsidiary</b>		

Name of Shareholders	No. of shares	Face value per share	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>

<b>7 Inventories</b>		
<b>a. Donor products (USAID) :</b>		
Relax ( IUD )	98,017	111,937
Sayanapress	328,880	3,261,760
i-Plant ( Implant )	712,350	823,050
SOMA-JECT	23,569,745	58,871,036
	<b>24,708,992</b>	<b>63,067,783</b>
<b>b. Donor product (GAIN/CIFF) FullCare :</b>	<b>12,306,922</b>	<b>19,522,581</b>
<b>c. SMC products:</b>		
SOMA-JECT	-	9,370,352
Pregnancy Test Kit	8,086	17,295
Easy Clean (Paper Soap)	136,619	186,038
SDK (Safe delivery kits)	1,607,696	1,521,273
Quick Test & Cassette	2,454,286	371,200
SMC Zinc	3,787,632	7,637,981
MoniMix Plus	5,152,730	5,229,416
Vermicid	12,012,530	4,228,365
MoniMix	18,700,550	21,214,910
	<b>43,860,129</b>	<b>49,776,830</b>
<b>Total (a+b+c) (Annexure-B)</b>	<b>80,876,043</b>	<b>132,367,194</b>

A schedule of donor product and SMC product is given in **Annexure-B**



	30.06.2023 Taka	30.06.2022 Taka
d. Pharmacy products (SMC Clinic and SMC Niltara Clinic)	7,386,519	8,791,598
<b>Total (a+b+c+d)</b>	<b>88,262,562</b>	<b>141,158,792</b>
<b>8 Accounts and other receivables</b>		
Interest income from Banks and NBFIs	62,835,547	53,633,725
Management fees from ACTB project	483,474	-
Receivable from IPDC (principal amount)	4,247,337	-
Receivable from IIDFC (principal amount)	4,725,800	-
Receivable from Donor (Overhead-MMS)	3,165,659	-
BRAC Bank -credit card settlement	2,914,708	1,828,342
Interest income from Banks (MISHD)	1,881,034	-
Receivable for staff medical check up bills	638,900	498,250
Receivable from SMC EL	43,747,062	51,732,337
Receivable from tenants (Utilities) & others	297,988	1,453,651
	<b>124,937,510</b>	<b>109,146,305</b>
<b>9 Advance, deposits and prepayments</b>		
<b>a. Advance</b>		
Advance to ACTB project (short time advance)	-	6,000,000
Advance to SMC Employees PF (Loan to PF )	-	2,032,891
Advance for office rent	18,500	24,000
Bank guarantee- Progati Insurance Ltd.	200,000	200,000
Advance against import (Lifts for SMC Tower-2)	671,853	562,000
Advance to employee against expenses & TA/DA	1,389,092	1,346,851
Vehicle loans (note 9.1)	24,021,541	14,961,706
Advance to area offices	26,279,358	30,875,084
Advance to NGO Partners,contractor/house owner	38,830,080	31,293,439
Advance income tax (note 9.2)	367,076,269	305,511,402
	<b>458,486,693</b>	<b>392,807,373</b>
<b>b. Security deposits</b>		
Bangladesh Telecommunications Company Limited	284,290	284,290
Dhaka Electric Supply Authority	482,000	482,000
Alpine Fresh Water System Ltd.	19,500	19,500
	<b>785,790</b>	<b>785,790</b>
<b>c. Prepayments</b>		
Insurance premium	2,096,365	1,183,265
	<b>461,368,849</b>	<b>394,776,428</b>

	30.06.2023 Taka	30.06.2022 Taka
<b>9.1 Vehicle loans</b>		
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.		
Opening balance	14,961,706	14,534,821
Add: Addition during the year	13,705,784	4,834,910
	<b>28,667,490</b>	<b>19,369,731</b>
Less: Adjustment during the year	(4,645,949)	(4,408,025)
	<b>24,021,541</b>	<b>14,961,706</b>
<b>9.2 Advance income tax</b>		
Opening balance	305,511,402	246,506,253
Add: Paid during the year	124,466,919	59,005,149
	<b>429,978,321</b>	<b>305,511,402</b>
Less: Adjustment for the final assessment of FY 2019-20 & FY 2020-21	(62,902,052)	-
	<b>367,076,269</b>	<b>305,511,402</b>
<b>10. Investment in fixed deposits</b>		
a. Banks	1,201,492,775	756,066,470
b. Non-Banking Financial Institutions (NBFIs)	492,503,711	819,206,906
	<b>1,693,996,485</b>	<b>1,575,273,376</b>
<b>11. Cash and bank balances</b>		
a. Cash in hand	250,000	250,000
b. Cash at banks	403,244,658	501,124,111
	<b>403,494,658</b>	<b>501,374,111</b>
<b>12. Capital fund</b>		
Opening balance	3,396,313,929	3,405,589,972
Add: Net deficit after tax (Transferred from Statement of I & E)	(138,415,255)	(9,276,043)
Less: Adjustment for the final assessment of FY 2019-20 & FY 2020-21	(62,902,052)	-
Less: Adjustment of additional VAT and tax from FY 2016-FY 2021	(18,171,352)	-
	<b>3,176,825,270</b>	<b>3,396,313,929</b>
<b>13. Provision for taxation</b>		
Opening balance	324,787,527	304,353,398
Add: Addition for the year	196,882,129	25,256,390
Less: Adjustments of additional VAT and tax on final settlements	(81,311,336)	(4,822,261)
<b>Closing balance</b>	<b>440,358,320</b>	<b>324,787,527</b>

	30.06.2023 Taka	30.06.2022 Taka
<b>14. Accounts and other payables</b>		
<b>a. Accounts payable:</b>		
Payable to staff provident fund	41,569	-
Payable to SMC area offices for expense reimbursement	1,010,727	1,257,319
Payable to SMC (partners) NGO's for reimbursement	17,399,739	14,006,719
Payable for accrued expenses (Incentive & SWA)	17,575,961	18,369,009
Payable to staff gratuity fund	32,826,257	15,743,122
Payable to suppliers & others	54,088,877	75,637,438
Payable to subsidiary (SMC EL)	121,690,617	93,383,124
	<b>244,633,746</b>	<b>218,396,731</b>
<b>b. Other payables:</b>		
Withhold Tax	-	1,834
Trade VAT	146,043	417,089
Security deposits from suppliers and contractors	13,469,863	20,172,174
Advance rent/ security deposits from tenants	27,073,151	21,569,427
Advance received from donors	286,702,410	204,735,574
	<b>327,391,468</b>	<b>246,896,098</b>
<b>Total (a+b)</b>	<b>572,025,214</b>	<b>465,292,829</b>
<b>15. Deferred income</b>		
Deferred income represents the closing stock of inventories of development partners products, unearned sales revenue and interest on FDR.		
<b>a. USAID's Products:</b>		
Opening balance	63,067,782	39,899,949
Add: Goods received during the year	80,263,385	128,600,899
Less: Goods sold during the year	(118,622,175)	(105,433,065)
<b>Closing balance</b>	<b>24,708,992</b>	<b>63,067,782</b>
<b>b. USAID-PI-sales deferred during the year</b>	<b>-</b>	<b>-</b>
<b>Sub-Total (a+b)</b>	<b>24,708,992</b>	<b>63,067,782</b>
<b>c. CIFF/GAIN's Products:</b>		
Opening balance	19,522,581	1,791,504
Add: Goods received during the year	61,009,146	64,208,496
Less: Goods sold during the year	(68,224,805)	(46,477,419)
<b>Closing balance</b>	<b>12,306,922</b>	<b>19,522,581</b>
<b>d. CIFF/GAIN -PI-sales deferred during the year</b>	<b>113,924,514</b>	<b>44,795,748</b>

	30.06.2023 Taka	30.06.2022 Taka
e. CIFF/GAIN -Accrued Interest	902,773	-
<b>Sub-Total (c+d+e) CIFF/GAIN PI</b>	<b>127,134,209</b>	<b>64,318,329</b>
<b>Total deferred income (a+b+c+d+e)</b>	<b>151,843,201</b>	<b>127,386,111</b>

#### 16. Deferred tax assets/ liabilities

Deferred tax Assets/liability has been measured in accordance with the provision of International Accounting Standard-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 Taka	Taxable/ (deductible) difference
<b>As at 30 June 2023</b>			
Property, plant and equipment - (Excluding land)	559,583,119	542,390,291	17,192,828
Permanent difference for Vehicle exceeding Tk 30,00,000	1,295,761	-	1,295,761
			18,488,589
Gratuity provision	(32,826,257)	-	(32,826,257)
Taxable temporary difference			(14,337,668)
Applicable tax rate			30.00%
<b>Deferred tax liability</b>			<b>(4,301,300)</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 2022</b>			
Property, plant and equipment - (Excluding land)	577,013,142	541,639,982	35,373,160
Permanent difference for Vehicle exceeding Tk 2,500,000	-	-	-
			35,373,160
Gratuity provision	(15,743,122)		(15,743,122)
Taxable temporary difference			19,630,038
Applicable tax rate			30.00%
<b>Deferred tax liability</b>			<b>5,889,011</b>

	30.06.2023 Taka	30.06.2022 Taka
<b>16.1 Deferred tax (income)/ expense</b>		
Closing balance of deferred tax liability	(4,301,300)	5,889,011
Opening Balance of deferred tax liability	(3,896,055)	9,785,066
<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>(405,245)</b>	<b>(3,896,055)</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 Of ITO-1984). As per section 71 of Income Tax Act-2023 (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 assets 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. Deferred tax has been assessed as per Income Tax Act 2023.

	30.06.2023 Taka	30.06.2022 Taka
<b>17 Income</b>		
<b>A. Sales revenue</b>		
1 Sales revenue from USAID donated products (Note 17.1)	152,443,521	162,506,337
2 Sales revenue from CIFF/GAIN products (Note 17.2)	-	-
3 Sales revenue from SMC products (Note 17.3)	149,491,047	142,475,615
	<b>301,934,568</b>	<b>304,981,952</b>
<b>B. Grants from</b>		
1 USAID	304,145,660	244,734,802
2 GAIN/CIFF	168,597,145	177,393,899
3 icddr'b	66,182,104	53,491,752
	<b>538,924,909</b>	<b>475,620,453</b>
<b>C. Income from Clinic operations</b>		
1 Income from service through -Consultant	4,939,775	4,404,590
2 Income from service through -Lab	17,919,147	15,478,647
3 Income from sale of medicine	47,331,189	34,101,700
	<b>70,190,111</b>	<b>53,984,937</b>
<b>D. Corporate income</b>		
1 Member's subscription	22,000	42,020
2 Vehicle rental income (for employees only)	153,062	82,629
3 Income from sale of scrap & others	311,756	347,484
4 Gain/(loss)from sales of fixed assets	370,553	98,244
5 Income from lease-SMC EL	3,435,866	3,493,687
6 Management fee & overheads	13,658,088	18,577,579
7 Interest on FDR's and savings accounts at Banks *	116,936,168	101,165,626
8 Rental income	123,495,964	102,788,036
9 Dividend from subsidiary	259,999,867	136,499,930
	<b>518,383,323</b>	<b>363,095,236</b>
<b>Total income (A+B+C+D)</b>	<b>1,429,432,911</b>	<b>1,197,682,578</b>

\* Interest on savings accounts at banks includes Tk. 13,809,224 generated from MISHD program income bank account.

### 17.1 Sales revenue from USAID donated products

Brand Name	Qty (Unit)	Average Selling Price	FY2022-2023 Taka	FY2021-2022 Taka
SOMA-JECT	4,636,602	32.15	149,083,761	124,897,225
Sayanapress (Vial)	32,280	77.53	2,502,700	7,646,010
Relax (IUD)	8,758	20.00	175,160	161,460
Implant	4,546	150.00	681,900	627,150
<b>Sub-total</b>			<b>152,443,521</b>	<b>133,331,845</b>
Add: Transfer from deferred income			-	29,174,492
Less: Transfer to deferred income			-	-
Sub-total			<b>152,443,521</b>	<b>162,506,337</b>

### 17.2 Sales revenue from CIFF/GAIN products

CIFF/GAIN - FullCare Tablet	2,033,199	34.00	69,128,766	44,795,748
Less: Transfer to deferred income *			(69,128,766)	(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.

### 17.3 Sales revenue from SMC products

Brand Name	Qty (Unit)	Average Selling Price	FY2022-2023 Taka	FY2021-2022 Taka
Easy Clean	62,295	7.53	469,240	598,050
Pregnancy Test Kit (PTK)	591	12.00	7,092	1,017,473
Quick Test	16,194	25.00	404,850	626,250
Quick Test-Cassette	112,725	13.00	1,465,425	-
MoniMix	39,965,931	2.10	84,092,247	75,751,715
MoniMix Plus	4,892,490	2.16	10,550,789	9,410,513
SMC Zinc	853,472	14.76	12,601,089	11,939,038
Vermicid	8,669,625	2.93	25,410,980	19,606,100
SOMA-JECT	331,050	32.18	10,653,798	19,065,385
Safe Delivery Kit (SDK)	54,795	80.00	4,383,600	5,027,840
<b>Sub-total</b>			<b>150,039,110</b>	<b>143,042,364</b>
Less: Trade VAT			(548,062)	(566,749)
<b>Sub-total</b>			<b>149,491,047</b>	<b>142,475,615</b>
<b>Total</b>			<b>301,934,568</b>	<b>304,981,952</b>

	30.06.2023 Taka	30.06.2022 Taka
<b>18. Salary and benefits</b>		
Corporate-head office	200,229,411	154,955,044
Donor programs	99,594,071	81,201,887
SMC programs	30,838,201	28,113,268
	<b>330,661,683</b>	<b>264,270,199</b>
<b>19. Travel expenditure</b>		
Corporate-head office	13,492,306	12,523,390
Donor programs	26,211,239	17,116,173
SMC programs	1,444,057	3,260,108
	<b>41,147,602</b>	<b>32,899,671</b>
<b>20. Packaging materials</b>		
Corporate-head office	-	2,037,337
Donor programs	8,033,403	6,029,924
SMC programs	-	-
	<b>8,033,403</b>	<b>8,067,261</b>
<b>21. General operating expenses</b>		
Corporate-head office	67,858,335	84,462,585
Donor programs	91,999,891	97,219,336
SMC programs	11,739,684	10,994,373
	<b>171,597,910</b>	<b>192,676,294</b>
<b>22. Advertisement</b>		
Corporate-head office	1,834,165	1,554,080
Donor programs	123,062,638	101,619,522
SMC programs	1,913,023	1,057,107
	<b>126,809,826</b>	<b>104,230,709</b>
<b>23. Commodity expenditure :</b>		
A. Opening stock	49,776,829	55,434,504
Add: Purchase during the year	121,802,607	111,444,724
Less: Closing stock	(43,860,129)	(49,776,829)
	<b>127,719,308</b>	<b>117,102,399</b>
A schedule of donor product and SMC product is given in <b>Annexure-B</b>		
<b>B. Commodity expenditure -medicine</b>		
SMC Niltara Clinic-Dhaka Uddan	27,056,260	20,546,715
SMC Clinic-SMC Tower-2	17,272,926	8,849,873
	<b>44,329,186</b>	<b>29,396,588</b>
<b>Total commodity expenditure (A+B)</b>	<b>172,048,494</b>	<b>146,498,987</b>

	30.06.2023 Taka	30.06.2022 Taka
<b>24. Research &amp; development</b>		
Corporate-head office	5,454,014	3,519,543
Donor programs	3,240,459	4,764,690
SMC programs	-	-
	<b>8,694,473</b>	<b>8,284,233</b>
<b>25. Program expenditure</b>		
Corporate-head office	-	1,056,477
Donor programs	454,618,547	314,593,925
SMC programs	93,626,746	56,126,613
	<b>548,245,293</b>	<b>371,777,015</b>
<b>26. Staff development expenditure</b>		
Corporate-head office	3,307,603	474,419
Donor programs	16,270	-
SMC programs	-	-
	<b>3,323,873</b>	<b>474,419</b>
<b>27. Related party transaction :</b>		

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)	373,557,852	-	-
2	Payment for Vermicid & MoniMix purchase	-	104,771,919	-
3	Reimbursement of TBA/NGO Meet	-	2,591,973	16,100
4	Packaging expenses (SOMA-JECT)	-	4,654,902	-
5	Advance received and Return	190,000,000	90,000,000	-
6	Received for Lease	9,275,979	-	-
7	Reimbursement for common services	67,360,339	-	-
8	Office rent	71,311,844	-	-



**Social Marketing Company**  
**SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT**

As at 30 June 2023

Particulars	Cost				Rate (%)	Depreciation			Written down value as at 30 June 2023									
	Balance at 01 July 2022	Addition during the year	Sales/adjustment during the year	Balance at 30 June 2023		Balance at 01 July 2022	Charged during the year	Sales/adjustment during the year		Balance at 30 June 2023								
											(Amount in Taka)							
Land (SMC Tower, SMC Tower-2)	280,896,559	-	-	280,896,559	-	-	-	-	280,896,559									
Building-SMC Tower	335,738,901	1,394,944	-	337,133,845	2.5	5,740,261	-	112,759,546	224,374,300									
Building-SMC Tower-2	262,694,223	1,015,128	-	263,709,351	2.5	6,205,593	-	21,270,663	242,438,688									
Lift - (SMC Tower & SMC Tower-2)	78,910,839	-	-	78,910,839	20	3,736,585	-	63,964,494	14,946,344									
Power sub-station (SMC Tower & SMC Tower-2)	46,300,855	378,010	-	46,678,865	20	3,570,827	-	32,234,579	14,444,286									
Fire control system (SMC Tower & SMC Tower-2)	41,778,176	1,812,659	-	43,590,835	20	2,184,738	-	33,466,315	10,124,520									
Central A/C system	120,147,931	1,759,235	-	121,887,166	20	1,657,078	-	114,043,887	7,843,279									
Furniture & fittings	19,285,213	765,808	-	20,051,021	10	985,907	-	10,880,227	9,170,794									
Vehicles	69,074,084	4,295,761	1,814,471	71,555,374	20	2,167,338	1,814,469	58,955,067	12,600,307									
Other equipment	17,512,925	-	-	17,512,925	20	33,280	-	17,249,698	263,227									
Office equipment	50,676,936	2,931,288	20,700	53,587,524	20	5,463,507	2,960	30,210,151	23,377,373									
<b>Tangible Assets</b>	<b>3,23,016,643</b>	<b>14,332,833</b>	<b>1,835,171</b>	<b>1,335,514,305</b>		<b>31,745,113</b>	<b>1,817,429</b>	<b>495,034,627</b>	<b>840,479,678</b>									
<b>Intangible Assets (Software)</b>	<b>635,066</b>	<b>365,619</b>		<b>1,000,685</b>		<b>154,928</b>		<b>234,726</b>	<b>765,959</b>									
<b>Balance as on 30 June 2023</b>	<b>1,323,651,709</b>	<b>14,698,452</b>	<b>1,835,171</b>	<b>1,336,514,990</b>		<b>31,900,041</b>	<b>1,817,429</b>	<b>495,269,352</b>	<b>841,245,638</b>									
Tangible Assets	1,328,476,409	38,852,119	44,311,883	1,323,016,645		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									
<b>Balance as on 30 June 2022</b>	<b>1,328,476,409</b>	<b>40,186,417</b>	<b>45,011,115</b>	<b>1,323,651,711</b>		<b>47,528,993</b>	<b>36,685,117</b>	<b>465,186,742</b>	<b>858,464,969</b>									

**Social Marketing Company**  
**STATEMENT OF COST OF GOODS SOLD AND CLOSING STOCK**  
For the year ended 30 June 2023

(Amount in Taka)

Particulars	Donors		SMC products										FY 2022-23	FY 2021-22	
	USAID PI	GAIN/ CIFF PI	SMC-SOMA-JECT	Quick Test)	Quick Test-Cassette	PTK (Preg-nancy Test (kt)	SMC Z-inc	MoniMix	Easy Clean	SDK (Safe delivery kit)	Moni Mix- Plus	Vermicid	Total SMC products		
<b>Opening 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	95,334,453
Add: Cost of production/ purchase/donation received during the year	80,263,385	61,009,146	555,100	-	3,831,528	-	6,317,012	65,043,465	423,528	4,823,943	9,526,641	31,281,390	121,802,607	263,075,138	304,254,119
	143,331,167	80,531,727	9,925,452	371,200	3,831,528	17,295	13,954,993	86,258,375	609,566	6,345,216	14,756,057	35,509,755	171,579,436	395,442,330	401,380,076
Less: Consumption/ COGS	-	-	9,925,452	304,428	1,444,014	9,209	10,167,361	67,557,825	472,947	4,737,520	9,603,327	23,497,225	127,719,308	127,719,308	117,102,399
	143,331,167	80,531,727	-	66,772	2,387,514	8,086	3,787,632	18,700,550	136,619	1,607,696	5,152,730	12,012,530	43,860,129	267,723,023	284,277,676
Less: Goods sold during the year	118,622,175	68,224,805	-	-	-	-	-	-	-	-	-	-	-	186,846,979	151,910,484
	24,708,992	12,306,922	-	66,772	2,387,514	8,086	3,787,632	18,700,550	136,619	1,607,696	5,152,730	2,012,530	43,860,129	80,876,043	132,367,192
<b>Closing stock</b>	24,708,992	12,306,922	-	66,772	2,387,514	8,086	3,787,632	18,700,550	136,619	1,607,696	5,152,730	12,012,530	43,860,129	80,876,043	132,367,192

## Social Marketing Company

### DETAIL EXPENDITURE (SOURCE WISE) FOR THE YEAR ENDED 30 JUNE 2023

Annexure - C

Particulars	Note	USAID Cash Fund (MISHD) A	USAID Program Income (MISHD) B	icddr/b (ACTB) Cash Fund C	MMS/CIFF Cash Fund D	Total Donor's Funded Program E=(A+B+C+D)	SMC Corporate F	SMC Own Programs G	01 July '22 to 30 June '23 H=(E+F+G)	01 July '21 to 30 June '22 I
Expenditure:										
Salary & benefits	18	31,495,853	-	32,450,277	35,647,941	99,594,071	200,229,411	30,838,201	330,661,683	264,270,199
Travel expenditure	19	8,186,640	-	15,441,681	2,582,918	26,211,239	13,492,306	1,444,057	41,147,602	32,899,671
Packaging materials	20	-	8,033,403	-	-	8,033,403	-	-	8,033,403	8,067,261
General operating expenses	21	11,906,577	233,065	10,945,670	68,914,578	91,999,891	67,858,335	11,739,684	171,597,910	192,676,294
Municipal Tax							9,572,695		9,572,695	4,994,450
Advertisement	22	32,789,691	72,622,316	735,609	16,915,022	123,062,638	1,834,165	1,913,023	126,809,826	104,230,709
Commodity/Medicine expenditure	23	-	-	-	-	-	127,719,308	44,329,186	172,048,494	146,498,987
Research & development	24	1,945,034	1,295,425	-	-	3,240,459	5,454,014	-	8,694,473	8,284,233
Staff development	26	7,143	-	-	9,127	16,270	3,307,603	-	3,323,873	474,419
Depreciation		-	-	-	-	-	28,719,044	3,180,998	31,900,042	47,528,993
<b>Sub-total</b>		<b>86,330,938</b>	<b>82,184,209</b>	<b>59,573,237</b>	<b>124,069,586</b>	<b>352,157,970</b>	<b>458,186,881</b>	<b>93,445,149</b>	<b>903,790,000</b>	<b>809,925,216</b>
<b>Program Expenditure:</b>										
Supplies & equipment		1,635,033	48,940,150	145,416	310,477	51,031,076	-	-	51,031,076	19,927,405
Program expenditure		119,832,120	136,727,249	6,463,452	44,217,082	307,239,902	-	28,448,790	335,688,692	207,555,796
Program expenditure -partners *		96,347,568	-	-	-	96,347,568	-	65,177,956	161,525,524	144,293,814
<b>Sub-total</b>	<b>25</b>	<b>217,814,722</b>	<b>185,667,399</b>	<b>6,608,867</b>	<b>44,527,559</b>	<b>454,618,547</b>	<b>-</b>	<b>93,626,746</b>	<b>548,245,293</b>	<b>371,777,015</b>
<b>Total expenditure</b>		<b>304,145,660</b>	<b>267,851,609</b>	<b>66,182,104</b>	<b>168,597,145</b>	<b>806,776,517</b>	<b>458,186,881</b>	<b>187,071,895</b>	<b>1,452,035,293</b>	<b>1,181,702,231</b>
<b>* Details of program expenditure -partners'</b>										
PSTC		24,072,772	-	-	-	24,072,772	-	-	24,072,772	25,091,682
CWFD		24,701,570	-	-	-	24,701,570	-	15,163,804	39,865,374	33,238,316
Sachatan		-	-	-	-	-	-	32,432,716	32,432,716	26,673,019
Shimantik		41,898,957	-	-	-	41,898,957	-	17,581,436	59,480,393	58,605,672
PSI		5,674,269	-	-	-	5,674,269	-	-	5,674,269	685,125
<b>Total program expenditure -partners'</b>		<b>96,347,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,347,568</b>	<b>-</b>	<b>65,177,956</b>	<b>161,525,524</b>	<b>144,293,814</b>

# DIRECTORS' REPORT

## FY: 2022-23



SMC ENTERPRISE LIMITED

# DIRECTORS' REPORT - SMC ENTERPRISE LIMITED

Dear Shareholders,

On behalf of the Board of Directors of the Company, happily do I present the Directors' Report along with the audited financial statements of SMC Enterprise Limited (SMC EL) for the Financial Year 2022-23 and the Auditor's Report thereon, for your consideration and adoption.

This report provides a transparent overview of performance of the Company over the past fiscal year, which is a reflection of significant achievements to overcome despite adverse business challenges. In this report, you will find a comprehensive analysis of the financial performance of the Company and a strategic roadmap for the future.

In the context of the economic headwinds in the post-Covid pandemic recovery period, in the last fiscal year, we have witnessed uncertainties and volatilities than ever before globally and locally viz. the Ukraine war, soaring commodity prices, weakening of Taka, disruption in raw material import, etc.

Under able leadership of the Company Management, and commitment from the entire SMC EL team, we

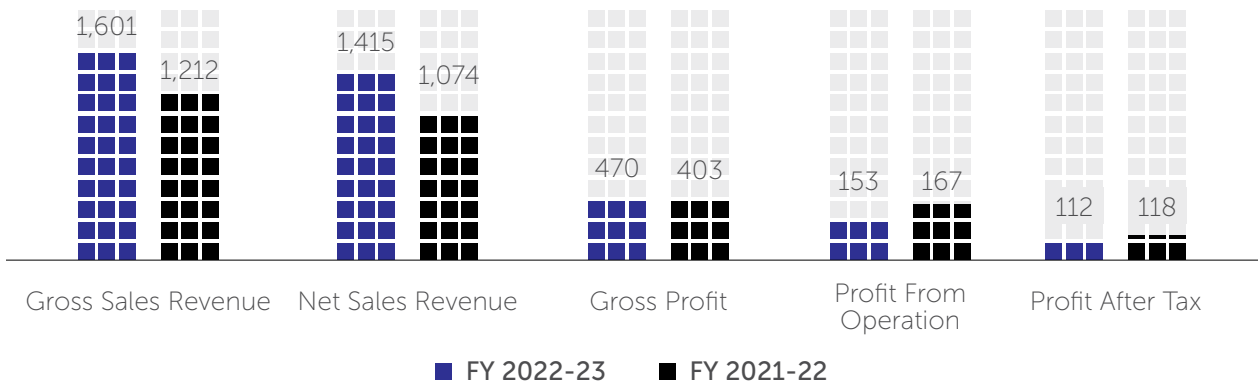
market expansion. The achievement underscores the commitment of the Management to delivering value to the stakeholders of the Company, fostering innovation and maintaining a robust position in the market.

However, the Company underperformed with the bottom line as the gross profit declined to 33% from 38% vs the previous fiscal year. It was primarily due to increase in cost of goods sold that were beyond control of SMC EL's viz., Taka devaluation, freight and cost increase of major raw materials such as aluminium foil, sugar, and SAP<sup>1</sup> for sanitary napkin along with the impact on exchange rate causing loss of Tk. 17 crore and eventually hit the bottom line (NPAT)<sup>2</sup> which stood at Tk. 112 crore with a de-growth of 5% compared to the previous year.

It is worthwhile mentioning in this context that the Company during the period under review had invested Tk. 92 crore by way of procuring capital assets where Tk. 45 crore alone had been invested for the construction of FMCG<sup>3</sup> project in Bhabanipur, Gazipur<sup>4</sup>.

The Company has been consistently maintaining sales

## Comparative Financial; Performance FY 22-23 Vs 21-22



adhered to the mission of the Company to deliver sustainable and profitable growth with unwavering dedication and determination. We are delighted to report that the Company has once again demonstrated commendable performance in the reporting period.

The Company successfully achieved the top-line targets by delivering a gross revenue of Tk. 1,601 crore with 32% growth over last fiscal year with product innovation, and

growth, making notable stride across its profitable brands categorized under Female Reproductive Health and Contraceptives (FRH & C), and General Health and Nutrition (GH & N), including the pharma business.

<sup>1</sup>SAP: Super Absorbent Polymer

<sup>2</sup>NPAT: Net profit after tax

<sup>3</sup>Fast moving consumer goods

<sup>4</sup>Bhabanipur, Gazipur

## Consumer Segment Performance

Our consumer products revenue grew by 33% compared to the previous fiscal year.

In this connection we are happy to note that in the reporting year, four brands under female reproductive health, consumer products and general health and nutrition category had entered into more than 100 crore revenue club which was basically two categories of product in last year. It may kindly be noted that at its inception in 2014 the Company started with only 12 brands and 40 SKUs for marketing and now it established as many as 27 brands and 120+ (excluding pharma) SKUs in the market with a diversified portfolio of products.

## Pharma Business Performance

In 2017, SMC EL established its Pharma Division and started marketing of pharmaceutical products under toll & contract manufacturing. The Pharma Division has been maintaining continuous growth in achieving its

excellence and consistently strives to deliver high-quality pharmaceutical products at an affordable price.

The Pharma Division has launched, its very first, injection named Triforce (Ceftriaxone 500 mg IM, 1 g IM & 1 g IV) on May 1, 2023. This brand will create new opportunities to meet the demand of customers. Triforce is indicated for Respiratory Tract Infections, Skin & Soft Tissue Infections, Urinary Tract Infections, Surgical Site Infections, Meningitis, Septicemia, Typhoid Fever, etc.

Besides the first injection launch, the Pharma Division also launched Fungicap (Fluconazole USP) and SMC Gold (Multivitamin & Multi mineral) tablet which was indicated for different types of fungal infections and also for the prevention and treatment of vitamins and mineral deficiencies.

SMC EL Bhaluka Factory has started producing Fungicap, Esomium, Prazomax, and Zifday capsules. The Pharma team is now working to launch new therapeutic segment - anticancer products in collaboration with Renata Pharma Ltd. through toll manufacturing.



sales target. In FY 2022-23 the Company has generated gross sales revenue of Tk. 105 crore with a growth of 27% compared to the last year. In line with its objectives, the Pharma Division is fully committed to healthcare

Details of pharma marketing highlights, campaigns and new product launch are discussed in Page 181 of the Annual Report.



## Financial Results and Appropriations

With a strong financial footing over the years, the Company has maintained its cash flow strength to run the business smoothly. Besides, SMC EL also has a healthy Debt-Equity

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 2022-23 in Page 197 of the Annual Report.

(Tk. in crore)

Particulars	FY 2022-23	FY 2021-22	% Change
Gross sales revenue	1,601	1,212	32
Net sales revenue	1,415	1,074	32
Gross profit	470	403	17
Net profit after tax	112	118	(5)
Shareholders' equity	620	535	16
Debt-equity ratio	0.69	0.73	-
Earnings per share (absolute)	Tk. 286	Tk. 302	(5)
Dividend per share (Cash)	76.92	Tk. 67	14.80
Net asset value per share (Absolute)	Tk. 1,591	Tk. 1,373	16
Dividend payout ratio	27%	22%	

ratio, recorded significant improvements in financial parameters like Net Assets Value, Shareholders Equity, Dividend Payout Ratio, etc. As a result, the Company is continuously adding value to the shareholder's equity with a consistent growth of 16% during the reporting period.

## Contribution to the National Exchequer

SMC EL has always given top priority to settle its dues to the National Exchequer. Over the years, the Company has consistently made significant contribution by way

(Amount in Tk.)

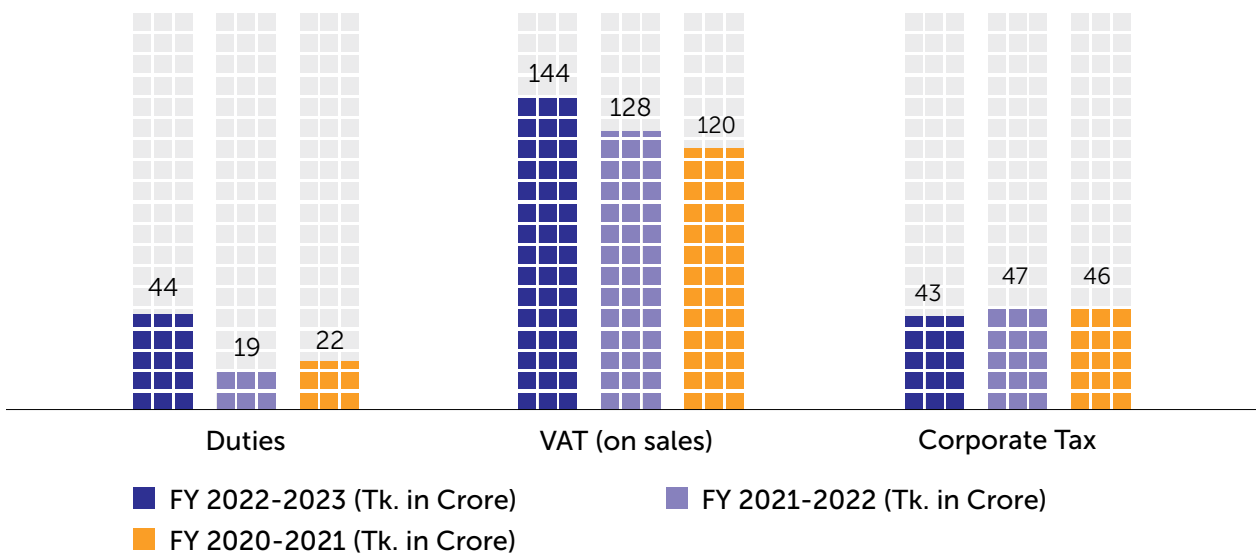
Particulars	FY 2022-23
Net profit before tax	154,31,95,953
Less: Provision for income tax	42,64,47,345
Net profit after tax	111,67,48,608
Add: Un-appropriated profit brought forward	496,42,41,642
Profit Available for distribution	608,09,90,250
Less: Appropriation of last year Dividend and adjustment for final demand of tax for AY 2019-20 & 2021-22	26,42,73,920
Un-appropriate profit C/F	581,67,16,330

Overall performance of the Company for the year 2022-23 has increased the dividend payment capability of the Company. Therefore, the Board of Directors in its 85th Meeting held on November 26, 2023 has recommended the appropriation of the Net Profit earned during the period FY 2022-23 in the following manner:

The Company paid cash dividend @ 67% (Tk. 67 per share) amounting to Tk. 26 crore in FY 2021-22 which was approved in 8th Annual General Meeting of the Company held on January 23, 2023.

of paying direct and indirect taxes. During the period under review, the Company contributed Tk. 231 crore to the government exchequer of which Tk. 44 crore was paid as different types of duties towards import of raw materials, packaging materials and spare parts, Tk. 43 crore as corporate tax, and Tk. 144 crore as VAT on sales plus VAT at import stage. This also included Tk. 63 crore which was deducted by way of VDS & TDS from the supplier's bill and subsequently deposited to the government exchequer.

Particulars	FY 2022-23 (Tk. in crore)	FY 2021-22 (Tk. in crore)	FY 2020-21 (Tk. in crore)
Duties	44	19	22
VAT (on sales)	144	128	120
Corporate tax	43	47	46
Total	231	194	168
Growth (%)	40	15	-



In this context, we are pleased to inform you that SMC Enterprise Ltd. was awarded by the National Board of Revenue (NBR) as one of the highest VAT payers under the category of the manufacturing sector for FY 2020-2021 at the national level and highest VAT payers at the District level in the manufacturing sector FY 2021-22.

### Marketing Activities:

The activities of the Marketing Division of SMC EL have once again demonstrated remarkable prowess in managing the diversified and innovative portfolios in the industry. In the reporting year, the Division has consistently executed powerful and impact-driven marketing campaigns. These campaigns were not merely aiming at increasing sales, but were strategically designed to both maintain and attain leadership positions with the respective categories. These initiatives have garnered significant acclaim from consumer and industry experts, resulting in multiple brand awards.

These accolades include the Superbrands Award, Commward, Digital Marketing award and the Best Brand Award for ORSaline-N in the Oral Saline category. Accordingly, SMC EL has achieved the fourth position in the overall best brand recognition by the Bangladesh Brand Forum which is a testament to the enduring impact of the Marketing Division in the industry.

The commendable performance and unwavering commitment to deliver excellence, innovation and impact have not only reinforced our brand's presence in the market but also helped to elevate our organization to a different level.

During the period under review, the Marketing Division successfully achieved high growth rates in a number of brands across all broad categories. These contributions have not only been marked by recognition but also translated into tangible business growth which helped the Company to remain at the forefront of the industry.



Details of marketing activities with regular product development and brand communication are discussed in Page 184 of the Annual Report. "Product Development and Brand Communication."

### Sales Distribution Network

The sales distribution network essentially deals with three core categories of product such as Female Reproductive Health and Contraceptives, Consumer products and General Health & Nutrition under which the Sales Division is dealing with 120+ number of SKUs. During the period under review, the Sales Division of SMC EL earned a revenue of Tk. 1,496 crore (including intercompany sales), a growth of 33% compared to the last fiscal year.

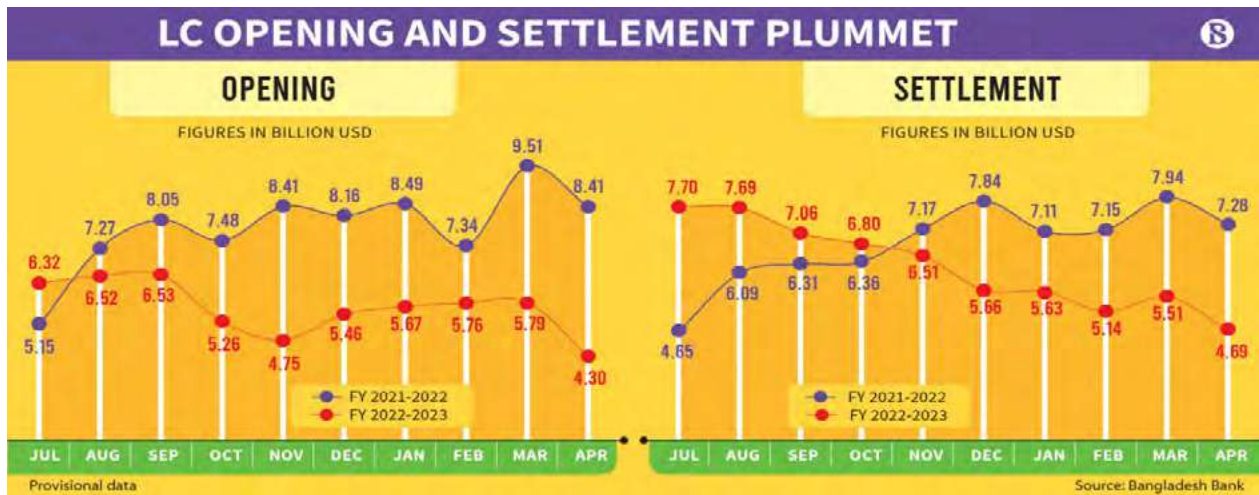
The distribution network covers over eight lac outlets (pharma and non-pharma) and institutions. Moreover, products were sold to institutions that included INGOs, NGOs, corporate houses, hospitals, clinics etc. The sales

market dynamics, which forms the basis for designing future marketing plans that are customized to market conditions and influenced by both external factors and internal capabilities.

### Supply Chain Management (SCM)

In accordance with the regulations outlined in the Procurement Manual of the Company, the SCM Division always remains vigilant to procure all necessary goods and services at competitive price through fair competition and transparent practices without compromising quality.

We all aware, that our economy has been passing through a critical situation where foreign currency reserve is declining leading to significant devaluation of our currency. These, as a result, have affected the money market seriously which has led to series of impediments while opening Letter of Credit (LC) to



team 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.

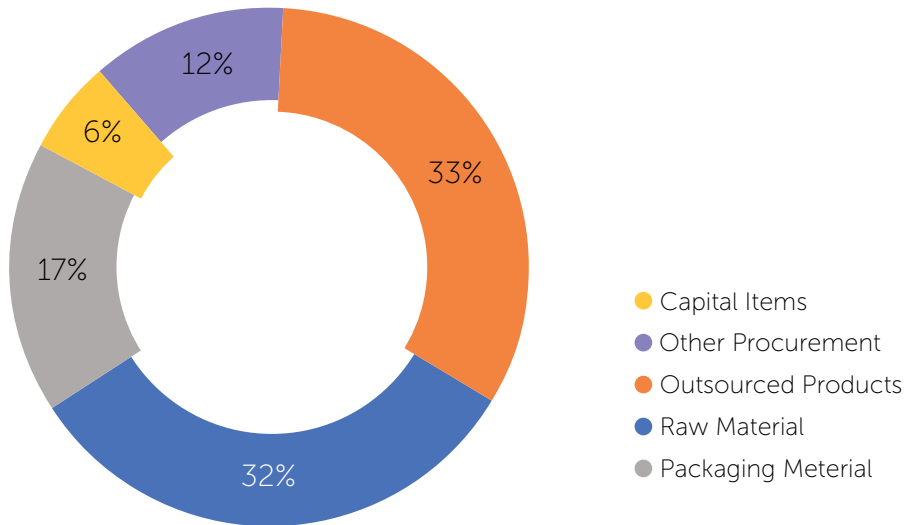
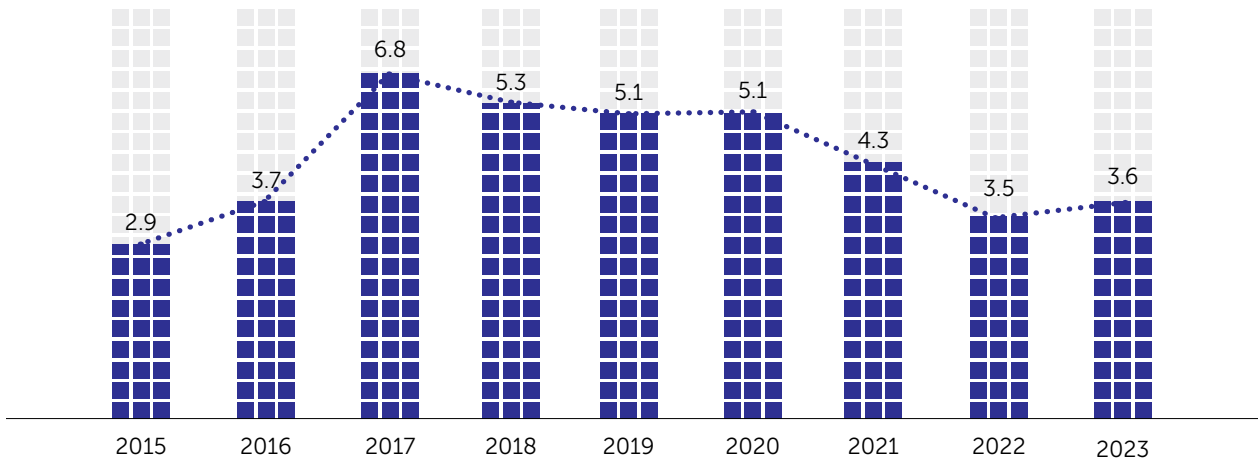
### Research Insights

Like every year, SMC EL has been engaged in various research activities aimed at assessing the impact of sales and marketing initiatives, evaluating the feasibility of product launches, and generating valuable consumer insights. Utilizing primary research data, the Company gains a comprehensive understanding of the current

import raw materials, commodities and capital items. However, the SCM Division in collaboration with Finance and Accounts Division and the Members of the Board had managed to handle the state of affairs. The following graph can well substantiate the overall scenario as mentioned above.

During the reporting period, the SCM Division issued purchase orders for commodities, packaging materials, raw materials, capital items and other procurement worth Tk. 1,210 crore comprising of local and foreign procurement of Tk. 827 and Tk. 383 crore respectively indicating 80% surge from the previous year.

## Inventory Turn Over Ratio



It is pertinent to mention here that, a total of 3,000 procurement proposals were approved by both the Management and the Board, leading to the opening of around 412 Letters of Credit (LCs).

Further to add that an efficient management of inventory can play an instrumental role to ensure productivity and profitability of a Company. Keeping this in mind the concerned department has maintained a 101 day inventory cycle compared to 105 day last year.

### Manufacturing Operations

#### Bhaluka Factory, Mymensingh:

The state-of-the-art ORS Manufacturing facility (ISO 9001:2015 certified and cGMP compliant) operates round the clock to meet the growing demand to attain higher revenue target. The plant not only limited to

producing ORSaline-N but also engaged in producing pharmaceutical products and several consumer products in its Food Manufacturing Division (FMD).



## Health & Hygiene Factory, Bauband, Cumilla

To meet up the increasing sales demand the Company has invested significantly to enhance the manufacturing capacity and infrastructural facility. The state-of-the-art ISO 9001:2015 certified Health & Hygiene production facility is focusing on addressing the essential hygiene needs of the people. This factory runs with nine high level automation & efficiency lines producing high quality sanitary napkin, baby diaper, wipes & wet tissue.

## Human Resource Management

The Human Resource Division of SMC EL is dedicated to achieving excellence by employing a diverse range of strategies to attract, recruit, develop, manage and optimize talent with a strong emphasis on retaining employees through appropriate rewards and advancement within the organization.

During the reporting year, SMC EL hired 314 new employees. By the end of the year, the company workforce numbered 1,810. Of the workforce, there were 113 female employees and 1,697 male employees. The HRD is actively working proactively to enhance diversity and gender balance by recruiting and promoting female talent across the organization.

Details about the Human Resource Management are discussed in the separate chapter namely "Human Resource Management" in Page 195 of the Annual Report

## Information and Communication Technology (ICT)

In order to facilitate the decision-making process with a view to taking informed decision, the Company has always given priority on the business process automation and the data security. In order to do the same, the ICT Division of SMC EL has played a very crucial role. Like previous years the Division successfully completed the following major projects/tasks in FY 2022-2023:

- Implemented the Pharmaceutical Field Force Tracking System (Team Tracker) to monitor the field forces using GPS system.
- Installed the e-Sales and e-DMS system into two separate physical servers that ensured the users to use both the systems successively.
- Developed a Mobile Apps for Cash automation for making sure the on-line cash transaction in the Consumer Sales operation.
- Conducted and facilitated comprehensive training on e-Sales, e-DMS, Healthcare module etc. to all the respective users.
- Established dual data connectivity with ensuring standard load balancing system in the



Bhaluka and H & H Factories for smooth and uninterrupted ICT services from the Head Office Data Center and SMC Cloud services.

- Re-established the overall network infrastructure of 12 Area Sales Offices for improving the data connectivity and smooth ICT services with facilitating the state-of-the-art network switches and standard LAN architecture.

## Industrial Relations

One of the key factors of sustainable growth of any organization is commitment of the Company to maintaining healthy and peaceful industrial relations (IR). In SMC EL, there are two organized labor unions from which a CBA is elected in every two years through peaceful election in accordance with relevant regulations of the Government. Both the 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, the Management and the CBA met in several sessions and reached a consensus. The group meets periodically and as needed to resolve any industrial dispute that arise within the organization.

## 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 to continue as an ongoing concern.

## 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 15 times during the year 2022-23. The notice of each Board Meeting along with the Board working paper had been served in writing ahead of the meeting. The number of Board meetings held and the attendance of each Director during the year is disclosed in on Page 196 of the Annual Report.

## Related Party Transactions

Details on related parties with whom transactions have taken place and their relationship as identified and certified by the Management are disclosed in the 'Related party disclosures under IAS-24' in the Note No. 28 of notes to the financial statements.

## Chairman of the Board

In accordance with the clause 39 of the Articles of Association of the Company, the Board of Directors of the Social Marketing Company (SMC) in its 224th Meeting held on 30.08.2023 re-elected Mr. Waliul Islam as the Chairman of the Board of Directors for a further period of two years with effect from 07.09. 2023. By virtue of clause 90 of the Articles of Association of SMC Enterprise Limited, he also became the Chairman of the Board of SMC EL with immediate effect.

## Post Balance Sheet event

Mr. Sayef Uddin Nasir has joined as the Managing Director of SMC EL with effect from October 1, 2023. Mr. Nasir completed his Master's in Business Administration from IBA, University of Dhaka and Bachelor's in Civil Engineering from Bangladesh University of Engineering and Technology (BUET).

## Appointment of Statuary Auditors

Pursuant to clause 113 of the Articles of Association and the provisions of section 210-213 of the Companies Act 1994; the statutory auditor of the Company, M/s. ACNABIN, Chartered Accountants, shall retire in the 9th AGM and, being eligible, offer themselves for re-appointment. The Board of directors of the Company in its 85th Board Meeting held on 26 November 2023 also recommended their re-appointment for the year 2023-2024 with an audit fee of Tk. 551,250/- exclusive of VAT and to continue till the next AGM of the Company.

The statutory auditors of the Company have given reports on the financial statements of the Company for the year ended 30.06.2023, which forms part of the Board document. There is no qualification, reservation, adverse remark, comments, observations or disclaimer given by the statutory auditors in their reports.

## Outlook: 2023-24 and beyond

As we move forward, we remain focused on our strategic goals and are optimistic about the future. We have successfully navigated challenges, capitalized on opportunities and continued our commitment to delivering value to our stakeholders. Since its inception, SMC EL has been maintaining the growth trajectory aligning with its short and long-term business strategy to continue to grow faster than the industry growth. It has always been focusing on maintaining a profitable and healthy balance between in-house and contract manufacturing.

Keeping this in mind, a five-year strategic plan of the Company was developed. The plan considered doubling the sales and profit in next five years, investing behind building brands, increase production capacity, continuously enhance distribution network, make people more capable and launch consumer preferred new products. The Company has been investing continuously behind the brands to assume market handling position and providing delightful experience for the consumers.

In order to maintain a consistent sales growth, the production capacity of Bhaluka factory and the Health and Hygiene Factory at Cumilla was enhanced significantly. Essentially, the enhanced capacity and strategic location will enable SMC EL to better serve its consumers all over Bangladesh.

SMC EL has already commenced construction of its FMCG (Fast Moving Consumer Goods) plant at Bhabanipur, Gazipur. The civil construction work is going on at full swing as per schedule. It is expected that the unit would go into commercial operations in second half of 2024. The unit will cater to the increasing demand of SMC Plus and gradually planning to shift all the food products from Bhaluka factory such as SMC Fruity, Taste Me and BOLT.

Regarding human capital management of SMC EL, the strategic priorities are a) creating a healthy and safe work environment, b) empowering employees with clearly set roles & responsibilities and c) equipping employees with competence. We are confident that these strategies will enable us to be a highly efficient organization capable of delivering SMC vision.

## Appreciation

We extend our gratitude to our dedicated Management team, all the Staff, supportive Shareholders, and valued Stakeholders for their contributions to our success

and look forward to their continued support towards contributing more to materializing SMC mission to improve the health and wellbeing of women, children and families of the country.



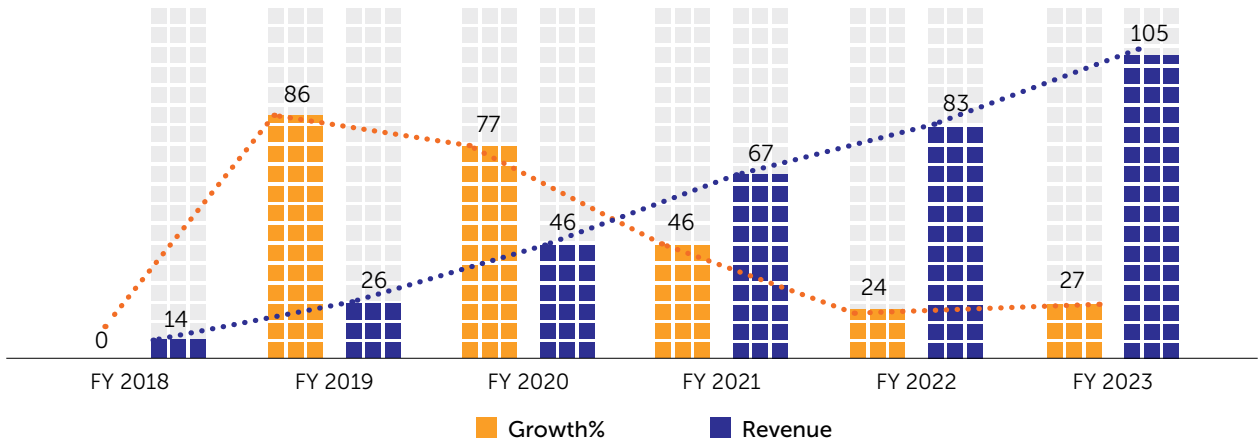
**Waliul Islam**  
Chairman of the Board of Directors  
SMC Enterprise Limited

# PHARMA BUSINESS

With the glory of success in the last six years the SMC EL Pharma Division has achieved sales targets again in FY 2022-23 by the support of concerned departments.

the best source for company expansion. As a result, internal employees are getting opportunities in case of promotion rather than external hiring.

Pharma Sales Trend - Revenue Vs Growth%



To maintain continuous growth in every year SMC EL's Pharma Division is going ahead with the purpose that "No one should suffer, especially the less-privileged owing to a shortage of inexpensive and quality medicine."

It's really a matter of great pleasure to inform you that SMC Pharma Division is marketing injectable product-Triforce (Ceftriaxone) from FY 2022-23. The Pharma team is selling 27 different kinds of OTC and therapeutic products in the market, including antibiotics, NSAIDs, antihistamines, anti-asthmatics and mineral supplements. Aziday 500 mg tablet, Cefimax 200 capsule, Esomium 20 mg capsule, Ezevent 10 mg tablet, Prazomax 20 mg capsule, Neoclav tablet, Nurowel tablet, and Seacoral tablet are some of the top brands that generate revenue. SMC Pharma Division believes in the competence of employees and they are

## Online campaign:

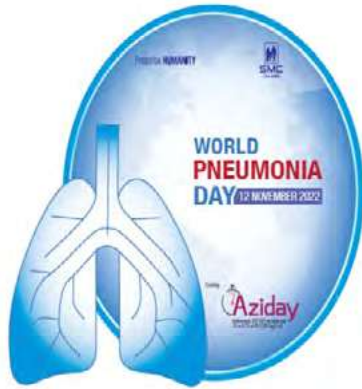
Now-a-days doctors use social media frequently. As a result, various online campaigns were

initiated including Dengue Samachar, Zifday-Women's

In FY 2022-23, the Pharma team achieved sales Tk. 11.36 crore in a single month (March 2023). Besides, Aziday achieved sales Tk. 2.05 crore (Dec 2022), Prazomax sale Tk. 2.10 crore (May 2023), and Seacoral sale Tk. 1.91 crore (May 2023) and all sales value is in TP+VAT.

To achieve sales target different types of promotional activities were completed like "Aziday-Pneumonia Awareness campaign, Seacoral-Osteoporosis Day & Mother's Day celebration, Fungicap-Women's care campaign, Neoclav-New BSP/New DCC Rx campaign, Neoclav-Skin protection campaign, Esomium (GERD Awareness Week, Nurowel-Father's Day celebration." Besides these the Pharma team delivered gifts to 2333 parties and successfully concluded the Shwapno Puron campaign.

Day, Ezevent-World Asthma Day & World COPD Day, Cefimax-National Children Day, Aziday Daily Corona Update, Dengue Samachar etc.



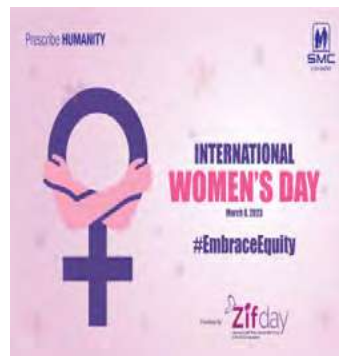
Pneumonia Day Celebration



Mother's Day celebration



Father's Day celebration



### Field Promotion Activities

With the intention of generating demand and introducing new items through service providers, the company's sales promotion officers carried out a significant number of promotional activities under their respective regional offices.

Through various promotional activities, SMC connected with health professionals throughout the reporting period, including doctors, NGO employees, non-graduate health care providers, traditional birth attendants, and girls' students.

# PRODUCT DEVELOPMENT & BRAND COMMUNICATION



SMC ENTERPRISE LIMITED



# 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. Apart from achieving high growth in almost all product categories we achieved prestigious awards, such as Superbrands Award, Commward, Digital Marketing Award and Best Brand Award for ORSaline-N in Oral Saline category and 4<sup>th</sup> in overall best brand from Bangladesh Brand Forum. Throughout the year, several BTL activations from Joya in 405 schools and 40 RMGs were successfully conducted across Bangladesh.

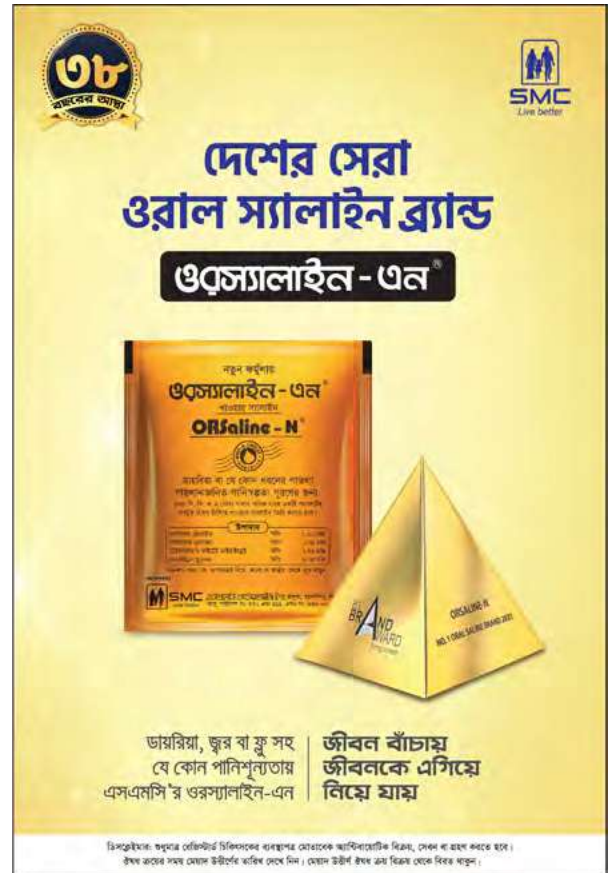


**ওস্যালাইন-এন**  
জীবন বাঁচায়, জীবনকে এগিয়ে নিয়ে যায়

## ORSaline-N:

ORSaline-N being the flagship brand of SMC, saving lives of millions of people every year. It is the most trusted brand for treat diarrhea of children and adults. ORSaline-N is also commonly used to treat dehydration caused by excessive sweating.

Continuous 360o campaign in TV, radio, digital, print media and outdoor media was done to raise awareness among traders and customers regarding fake & lookalike ORSaline-N in the market. The campaign has helped to minimize the sales of fake ORSaline-N in the market and to significantly boost the sales of SMC ORSaline-N.



ORSaline-N sponsored a number of TV dramas during the 2022 Eid seasons. It ensured brand visibility on television and digital media during Bangladesh's biggest festivities. Like every year, ORSaline-N also celebrated the "World ORS Day 2022" with TV campaign (TVC airing, L- Shape /Popup, Doggy, Feature reporting), Press ad (Advertisement and innovative newspaper jacket), Outdoor (Road side banner) and Digital media (Facebook, Banner Ad YouTube, Imo). ORSaline-N is available in E-commerce platforms like Daraz, Chaldal, Priyo Shop, etc. with different offers and activities.



### SMC Plus:

The entire beverage industry was disrupted with the introduction of SMC Plus, the nation's 1st ever Electrolyte Drink. Presented in 250 ml Orange and Lemon variants, this pioneering product marked a significant stride for SMC, positioning the company as an innovative force within the FMCG sector. Since its debut, an extraordinary surge in both consumer and trader demand has ensued, driven by the product's exceptional flavor and distinctive ability to provide an instantaneous energy boost through the restoration of vital electrolytes.



To establish a robust brand presence, SMC Plus embarked on an impactful advertising campaign, leveraging a blend of strategic mediums. During the widely-watched FIFA World Cup, the SMC Plus TVC seized the attention of viewers. Additionally, a year-round comprehensive 360-degree approach was executed, encompassing imaginative Billboards, eye-catching Bus branding, captivating Airport branding, engaging Magazine Ads and an array of Digital



Promotions. This rigorous effort ensured that SMC Plus resonated with consumers across various touchpoints, amplifying brand recognition and establishing its position as an emblem of innovation and vitality.

### Taste Me:

Taste Me is one of the leading brands in Instant Powder Drink Market. It has a great refreshing taste that instantly lifts one's mood. Taste Me helps to increase immunity as it is enriched with Vitamins and minerals.



Digital media has been a very effective tool for Taste Me. Many engagement campaigns were done in Facebook on the occasion of Ramadan, FIFA World Cup, Friendship Day, World Photography Day etc. It got a great reach and positive engagement from the campaign. Also, during Bisshwa Ijtema, free sampling with activation was done. Currently, Taste Me is available in major E-commerce platforms like Daraz, Chaldal, Priyo Shop, etc. with different offers and activities.



## SMC Fruity:

SMC EL launched their flavored saline "SMC Fruity" in the market on August-2021 due to the rapid growth of flavored saline's popularity in the sweat market. Within just two years of launching, SMC Fruity has become the market leader in the flavored saline category. Its refreshing Orange fruit flavor has given it a competitive advantage over competitors by providing an instant

## Bolt:

Ever since its inception, BOLT has consistently exhibited excellent growth, year after year, solidifying its position as a brand of great promise. Through its distinct and innovative communication strategy, BOLT has emerged as one of the leading brands in the Glucose Powder category.

In march 2023, BOLT was relaunched with a brand-new exciting pack design which resulted hike in sales



healthy solution to dehydration caused by excessive sweating. Customers and retailers have been extremely positive and encouraging about SMC Fruity.

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 had also run L-shape campaign during cricket games. Fruity had generated more than 100,000 trial via product sampling in the market. Also run L-shape campaign during cricket games. Fruity had generated more than 100,000 trial via product sampling in the market.



immediately. The distinctive communication approach that proved successful in the past continued to thrive in the previous year as well. The core concept behind the



communication emphasized BOLT's role in effectively combatting ego depletion and enabling individuals to 'Keep On' in any circumstance. To amplify awareness, Digital media played a pivotal role in the brand's strategy during the preceding year.

Strategically placed banner ads through the Google Display Network (GDN) ensured widespread reach and the brand's official Facebook page exhibited remarkable interactivity, featuring a stream of regular content updates and special campaigns tailored to various occasions.

### Super Kid:



SMC EL launched their first fortified snacks 'Super Kid' in two different variants – Badam Chocolate and Dudh Malai which contain 24 vital vitamins and minerals that help children to boost their immunity, grow stronger and become more intelligent. Considering the positive feedback and market demand, Tamim Iqbal Khan, former captain of the Bangladesh national cricket team in ODI format, Ayesha Siddiqa, wife of Tamim Iqbal Khan and Mohammed Arham Iqbal, son of Tamim Iqbal Khan were introduced as the brand ambassadors of Super Kid.

### SMC Honey:

SMC introduced 'SMC Honey,' aiming to enhance the well-being of its customers. Distinguished by its origin from the 'Mouwals,' SMC Honey stands as a 100% natural honey, untainted by additional sugars, chemicals, or

preservatives. Its innate qualities encompass antioxidants and antibacterial attributes, contributing to improved digestion and heightened immunity.



### Joya:

Joya is one of the leading sanitary napkin brands in Bangladesh. Over the years, it has experienced robust growth and gained market share, particularly in the belt type segment, where it holds the top position in the country. The brand's success can be attributed to its powerful aspirational and strategic campaigns that have played a pivotal role in promoting the benefits of using sanitary napkins over unhygienic cloth. Despite being a critical need, only 25% of menstruating women in Bangladesh use sanitary napkins, while the majority, 75%, still rely on unhygienic old clothes, leading to several health issues such as Urinary Tract Infection (UTI), Pelvic Inflammatory Diseases (PID) even can lead to Cervical Cancer. To encourage the price sensitive target group to use sanitary napkin, SMC launched the



affordable Joya Shulov belt type pad in 2023, encourages the price sensitive target group to use Sanitary Napkin. The brand's comprehensive approach involves both ATL and BTL activities, along with a strong digital presence, to educate and raise awareness about menstrual hygiene and break the stigma surrounding menstruation in society.

Joya's ATL activities have been marked by impactful campaigns that reached out to the mass and helped the brand tap into untapped markets. One such campaign was the "wcwiqWi Kvc0 td#j Rqv Avbyb, t#q#K GwM#q ivLyb" cloth conversion campaign, which resonated well with the target audience and garnered significant Joya's ATL activities have been marked by impactful campaigns that reached out to the mass and helped the brand tap into untapped markets. One such campaign was the "পিরিয়ডের কাপড় ফেলে জয়া আনুন, মেয়েকে এগিয়ে রাখুন" cloth conversion campaign, which resonated well with the target audience and garnered significant success. Additionally, the brand created several TV commercials to promote its premium segment products, further strengthening its market presence and brand awareness.



Joya's BTL efforts focused on active engagement and awareness-building among school and ready-made garment (RMG) sectors. Throughout the year, the brand conducted activations in 405 schools and 40 RMG across Bangladesh. These activations aimed to educate young girls and women about the necessity of using sanitary napkins and the risks associated with using cloth. The impressive participation numbers of 150,926 students in schools and around 70,000 workers in RMG settings indicate the impact of Joya's BTL initiatives in reaching out to the target audience.

In the digital space, Joya continued its brand promotion with a multi-faceted approach. The brand utilized various digital media formats, such as static and dynamic content, along with influencer engagement to maintain

its brand presence and connect with the online audience effectively. On Menstrual Hygiene Day, Joya launched a special digital campaign called "Making menstruation





a normal fact of life by 2030.” The campaign aimed to encourage open and honest conversations about periods in society, with a specific focus on breaking down the stigma surrounding menstruation among males. The digital campaign encouraged males to share their stories and experiences about menstruation and highlighted ways they can support their female friends, family, and colleagues during their menstrual cycles.

By combining ATL, BTL, and digital strategies, Joya has successfully positioned itself as a champion for menstrual hygiene in Bangladesh, striving to improve the lives of women and girls while raising awareness about the importance of using sanitary napkins for better health and hygiene.

### Smile Baby Diaper

Smile Baby Diaper is one of the fastest growing brands at SMC. Last year, with a tremendous growth rate, this brand secured a significant position in the market. Since

its launch within a very short period of time, Smile has become a trustworthy brand among customers.



FY 22-23 was an eventful year for Smile in terms of marketing. To increase awareness at the mass level, TVC has been aired according to season and occasion on prominent TV channels. Digital media was a very effective communication medium for Smile. A successful OVC campaign was launched last year. The name of the campaign was “শব্দ কোন বাধা নয়, হাসুক ওরা করুক জয়”, it was



especially for the children who cannot hear or cannot hear at a normal frequency. The campaign had multiple phases, like an emotional, touchy video, an expert’s opinion to identify the problem and mitigation, and also highlighted some success stories of such people to motivate the parents of such children. The OVC of the campaign was highly appreciated and went viral on social media. Many social influencers, as well as the cricket icon Smile’s brand ambassador Shakib al Hasan, have shared the OVC on their social media pages. The campaign was so successful that the Bangladesh Brand Forum has awarded it a Digital Marketing Award.

Beside the OVC campaign, different types of posts (ex. engagement, likability, feature base) have been promoted to increase reach. Altogether, more than 16 million reach have been generated through Facebook alone.



## Condom & Contraceptive pills:

Currently, SMC has 9 Contraceptive Pill brands and 7 condom brands. Numerous promotional activities take place throughout the year. Glimpses of the activities are mentioned below:

### Condom:

There are currently 7 condom 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. A new TVC of Panther condom has also been developed focusing on the newly Panther Banana flavor. The TVC has received much appreciation from audience and has over 6 million views. We have also focused on trade campaigns 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 TNR & Hotel Le Meridien where we successfully connected with more than 1,500 target consumers, who were exposed to our brands through visual and small goodie bags. This campaign was also promoted in digital channels.



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



We have launched an OVC on Men's day on social media platforms which has generated more than 1 million views for consecutive 2 years 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





Daraz, Chaldal, Shajgoj, 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 media. Regular posts were made on Facebook page, YouTube videos were all active including GDN ads on top sites. Through successful strategic communication, SMC Condoms has won several Prestigious Awards.

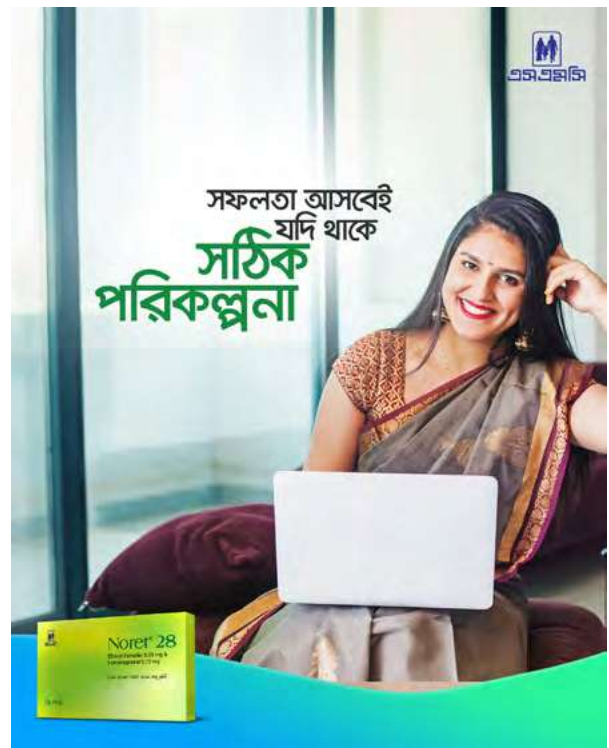


### Contraceptive Pills:

Social Marketing Company (SMC) has a strong heritage and legacy in the journey of family planning and contraception since liberation of Bangladesh at national level. At present, SMC EL has 9 brands for which righteous executions of strategic brand plans along with various promotional activities have been running 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.



Moreover, this year it has become the 100-crore brand and the one & only OCP in the country that has reached the 100 crores in terms of revenue generation. Femicon has won the heart of millions of women for its usage, comfort and effectiveness.



We are promoting the creative & attractive communication to the consumer to grab the mind share of consumer

through different communication channels. Our Emergency contraceptive pill Norix 1 is one of the highest accepted and trusted brands that has created satisfactory brand resonance among the consumer through our strategic moves.



We have successfully done an event branded by our SMC pills & condoms in Doctors Alumni Association's 'Grand Reunion Program' of approximate 1500 Doctors at Holy Family Red Crescent Medical College that gave us a huge mileage. We gave stall, Promotional Items, X-Banners, Magazine AD and was able to register more than 800 doctors for further post marketing evaluation and research.

We also addressed the importance of Endometriosis awareness in the community, hence we sponsored the research and dissemination for 'Endometriosis and Adenomyosis Society of Bangladesh (EASB)' from our contraceptive pill and condom portfolio.



## SMC Pure Petroleum Jelly:

SMC EL entered into Skincare market with SMC Pure Petroleum Jelly in FY 21-22 with two convenient SKUs (Vitamin E and Vitamin E with Lemon extract) with smart packaging for both urban and semi urban target groups. SMC has always pioneered in quality product in affordable price. With a powerful tagline "দ্বিগুণ কোমলতা, দ্বিগুণ সুরক্ষা" SMC Pure Petroleum Jelly has 2 in 1 benefit in one product ensuring 2X protection and care. SMC Pure Petroleum Jelly is enriched with both Vitamin E and Lemon Extract (food grade). Vitamin E gives skin and lip a healthy glow and makes skin smooth. Lemon extract gives a refreshing and energizing feel all day long. Throughout the year digital promotions such as: creative digital posts from Facebook page (SMC Skincare), POP Up, POSM, GDN, were created to increase the awareness focusing on the attributes of the product. A live talk show titled 'Skincare Tips' was organized by SMC EL Marketing department with the brand 'SMC Pure Petroleum Jelly' with Professor Dr. Zeenat Meraj Sapna, Consultant, Dermatology, United Hospital, Dhaka. Other promotion such as: Trade price discount, CP offer, press ad, Magazine ad, POSM items were also done to promote the brand.



## Germ Kill Anti Germ Handwash:

Germ Kill was launched in 2020, at a time when the country was facing the severe consequences of COVID - 19 pandemic. Initially with gel based form.

A new campaign of Germ Kill handwash was launched in 2021 featuring the brand ambassador Nusraat Faria. The TVC was aired in popular TV channels. ARDC and digital campaign was launched as well. The advertisement reached approximately 1.6 million people from the FB page of the brand.



The brand also played an active role in various social welfare activities. SMC distributed Germ Kill Hand Wash as free samples during 'Bishwaljtema' in January, 2023 which helped in the cleanliness of the devotees during this period. In FY 23-24 there is a plan to launch the soup based form

### SMC Biscuits

SMC Enterprise Limited has now ventured into a new era by introducing the first ever micronutrient fortified and tasty 'SMC Butter Cookies' in Bangladesh. Biscuit is one of the fastest growing food categories of our country with a market size of 5500 crore taka yearly (Branded Biscuit). There's an unmet need of tasty and healthy biscuits. To meet this need, SMC Enterprise Ltd. has brought tasty and healthy SMC Butter Cookies in the market. In addition to delicious taste, SMC Biscuit contains 7 vitamins and minerals (Vitamin A, C, D, E, Folic Acid, Calcium, Zinc) which provide a tasty experience with health benefits to all the members of the family. There are no such biscuits in the market that offer such unique combination of tasty and healthy. SMC Butter



Cookies is the first brand of SMC in the biscuit portfolio. In future, different variants like Energy Biscuits, Orange Biscuits, Lexus Vegetable Crackers, Coconut Cookies etc will be added in the portfolio. During the launch Danglers and Stickers were placed in different strategic locations and T-shirts were distributed to the Sales & Distribution team to generate awareness. Lucrative trade promotion and free sampling was offered to the retailers to induce market penetration. Digital promotion has also been going on through SMC Biscuits Facebook Page.



# HUMAN RESOURCE MANAGEMENT - SMC EL

Human Resource Department of SMC EL aims to ensure deploying and fostering efficient workforce to all departments. The strong corporate culture of the Company and its congenial and inclusive work environment helped ensuring good governance practice across the organization thereby attaining business goals. The Human Resource Division of SMC EL has a set of policies and procedures which assist in establishing proper talent management, compensation benefits, capacity building, performance and reward management etc. These helped in bringing more productivity and to assure that the people of all levels contribute for the growth of the company.,

## Manpower Details

During the reporting period the total man power strength was 1,810 comprising of 1,697 male and 113 female employees. In the reporting period the newly hired employees were 314 comprising of 300 male and 14 female employees.

With the implementation of newly approved Gender Policy HR leads the charge in ensuring that all policies and practices within the Company adhere to principles of diversity and equality for all.

## Capacity Building

To optimize the capacity of the organization, SMC EL aims to develop and cultivate talents. As a part of the capacity building activity, the HRD provided various training which helped employees to increase their productivity, efficiency and job satisfaction. Around 2100 employees undergone various training programs during the reporting period which is 61% more than the last year. The major training programs organized were, 5S and Kaizen, Selling Skills and Sales Management, Strategic Change Management, Emotional Intelligence, Presentation Excellence, Mastering Sales Leadership Program and many more.

## THE BOARD MEETING AND ATTENDANCE OF THE MEETINGS DURING THE FY 2022-23 ARE TABLED BELOW:

Name of Directors	Position in SMC EL Board	No. of Meeting held and present
Mr. Waliul Islam	Chairman	15(15)
Mr. Siddiqur Rahman Choudhury	Director	15(15)
Mr. Muhammed Ali	Director	15(15)
Mr. Md. Siddique Ullah	Director	14(15)
Mr. Faruque Ahmed	Director	12(13)
Mr. Aftab ul Islam FCA	Director	12(15)
Dr. Jahir Uddin Ahmed	Director	15(15)
Mr. Muhammed Farhad Hussain FCA	Director	14(15)
Mr. Toslim Uddin Khan	Director and MD, SMC EL, In-Charge	13(13)
Mr. Md. Ali Reza Khan	Director	2(2)
Mr. Abdul Haque	Managing Director	7(8)

## Review of financial performance SMC Enterprise Limited

### STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Amounts in Taka

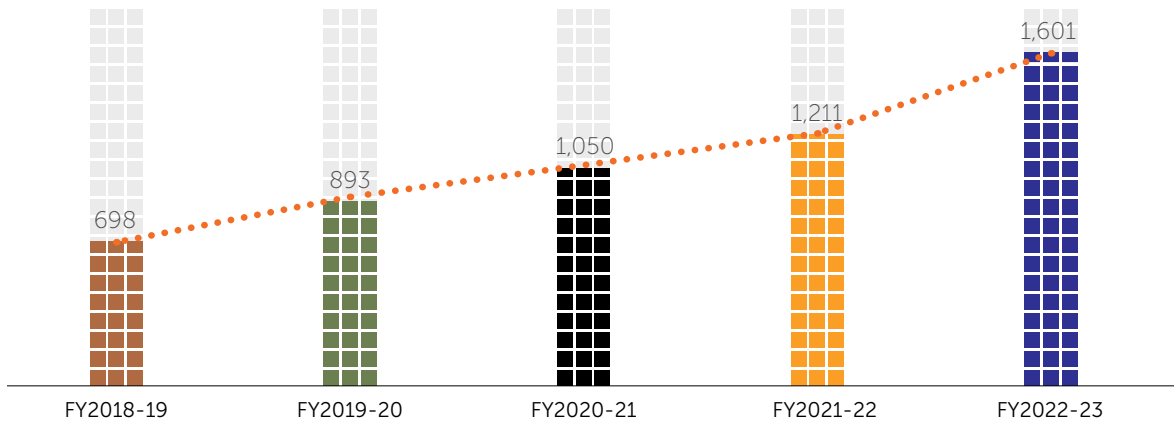
Particulars	FY' 2022-23	FY' 2021-22	FY' 2020-21	FY' 2019-20	FY' 2018-19
<b>Gross Revenue</b>	<b>16,007,586,206</b>	<b>12,115,101,463</b>	<b>10,502,041,117</b>	<b>8,926,372,407</b>	<b>6,975,742,119</b>
VAT	1,668,585,310	1,276,164,649	1,196,675,400	878,568,368	504,093,227
Sales Return	1,694,792	1,965,032	3,770,125	-	-
Discount on Sales	198,718,528	97,448,911	73,122,277	75,470,215	980,579
<b>Net Revenue</b>	<b>14,148,587,576</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>
Cost of goods sold	9,450,284,592	6,706,871,191	5,685,488,727	4,853,376,213	4,012,663,957
<b>Gross profit</b>	<b>4,698,302,984</b>	<b>4,032,651,680</b>	<b>3,542,984,587</b>	<b>3,118,957,612</b>	<b>2,458,004,356</b>
Administrative expenses	1,405,507,014	1,080,463,104	967,513,764	838,533,197	680,436,197
Selling & marketing expenses	1,547,330,942	1,254,678,850	1,017,010,264	968,036,568	887,618,874
<b>Total Operating Expenses</b>	<b>2,952,837,956</b>	<b>2,335,141,954</b>	<b>1,984,524,028</b>	<b>1,806,569,765</b>	<b>1,568,055,072</b>
Finance expenses	215,131,198	28,340,588	3,550,939	5,425,535	11,768,388
<b>Net Operating Profit</b>	<b>1,530,333,831</b>	<b>1,669,169,138</b>	<b>1,554,909,620</b>	<b>1,306,962,312</b>	<b>878,180,896</b>
Other Income	94,082,962	61,544,303	57,447,490	26,448,638	15,868,545
<b>Profit before WPPF &amp; Tax</b>	<b>1,624,416,793</b>	<b>1,730,713,441</b>	<b>1,612,357,110</b>	<b>1,333,410,949</b>	<b>894,049,441</b>
Provision for WPPF	81,220,840	86,535,672	80,617,856	66,670,547	44,702,472
Income Tax	426,447,345	467,999,110	464,315,734	414,199,308	280,812,565
<b>Net profit after Tax</b>	<b>1,116,748,608</b>	<b>1,176,178,659</b>	<b>1,067,423,521</b>	<b>852,541,094</b>	<b>568,534,404</b>

\*Other income includes interest income, Insurance claim and sale of scrap.

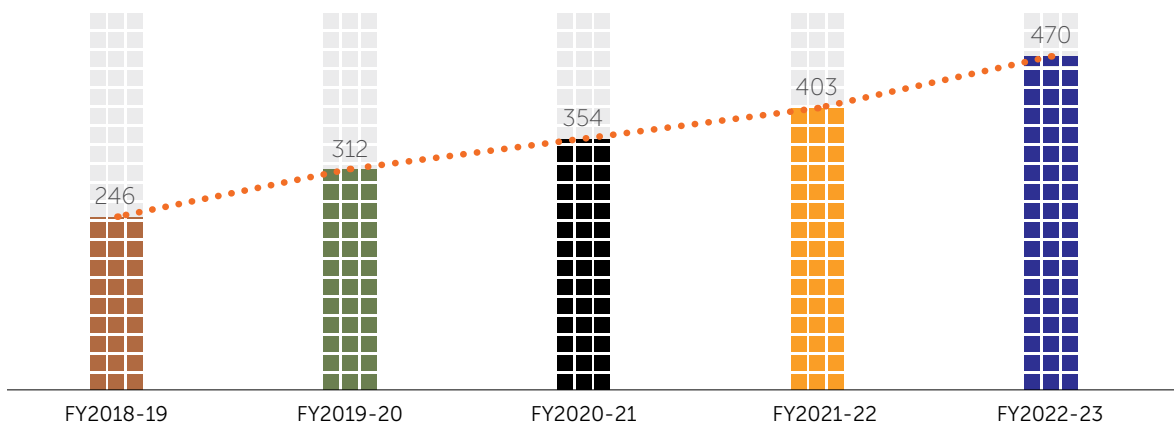
Particulars	FY' 2022-23	FY' 2021-22	FY' 2020-21	FY' 2019-20	FY' 2018-19
<b>Particulars</b>	<b>As on 30.06.2023</b>	<b>As on 30.06.2022</b>	<b>As on 30.06.2021</b>	<b>As on 30.06.2020</b>	<b>As on 30.06.2019</b>
Share Capital	390,000,000	390,000,000	390,000,000	100,000,000	100,000,000
Retained Earnings	581,671,630	4,964,241,642	3,924,562,983	2,907,139,462	2,089,598,368
Non-current liabilities	709,229,186	748,323,480	688,353,295	571,123,871	179,060,655
Current liabilities	3,590,868,067	3,147,352,180	2,189,714,572	1,870,474,588	1,287,608,567
<b>Total Equity and Liabilities</b>	<b>10,506,813,584</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>
Non-current assets	3,538,976,450	3,027,720,757	2,527,907,991	2,209,086,729	1,971,004,863
Current assets	6,967,837,135	6,222,196,545	4,664,722,859	3,529,651,191	1,975,262,727
<b>Total Assets</b>	<b>10,506,813,584</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>

# LAST FIVE YEARS TREND ANALYSIS

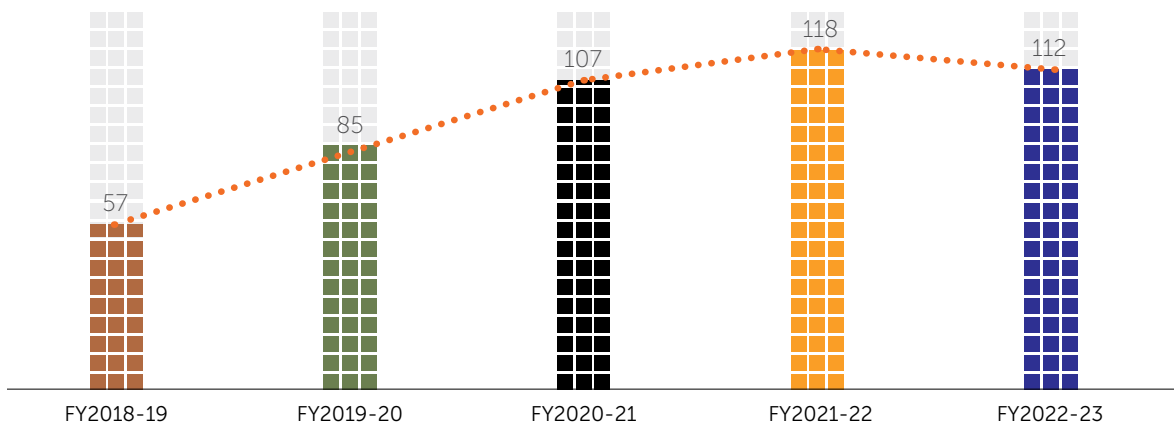
Gross Sales Revenue (In BDT Crore)



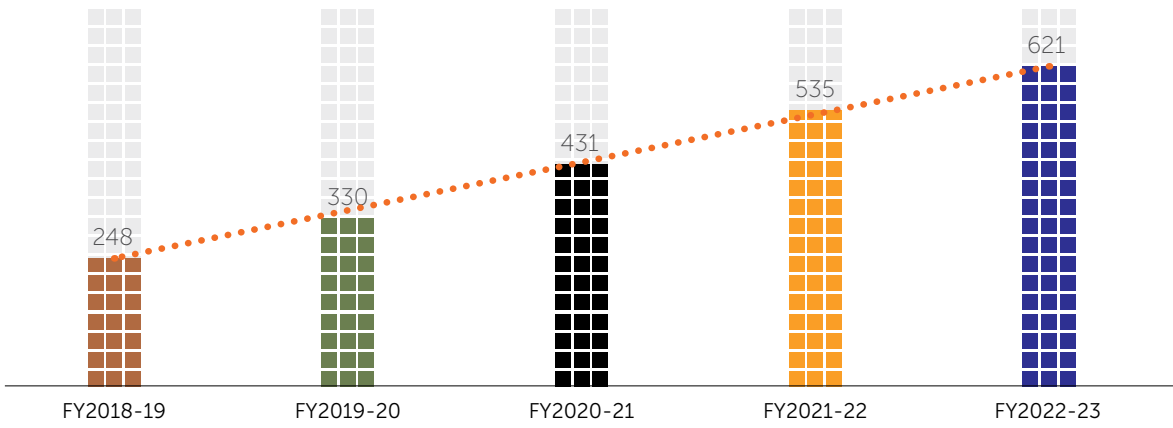
Gross Profit (In BDT Crore)



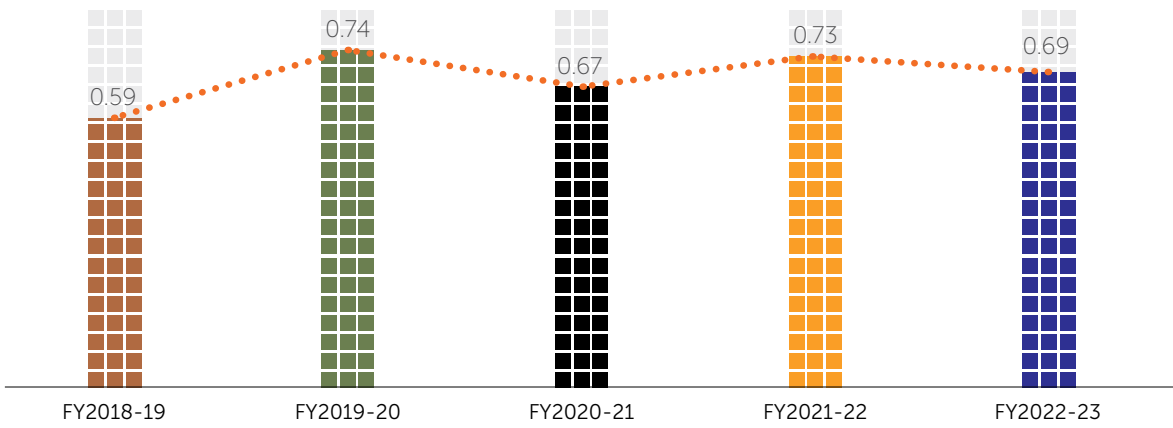
Net Profit after Tax (In BDT Crore)



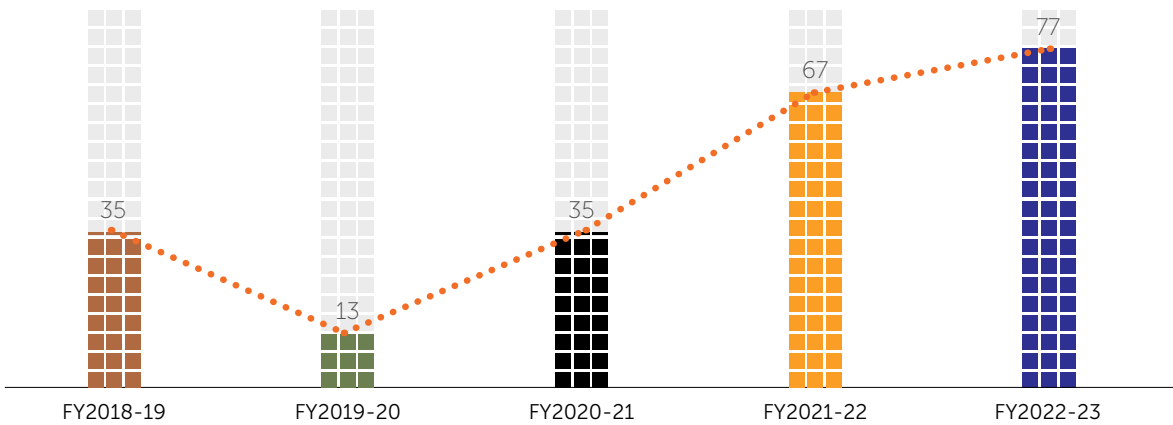
### Shareholders Equity (In BDT Crore)



### Debt-equity ratio

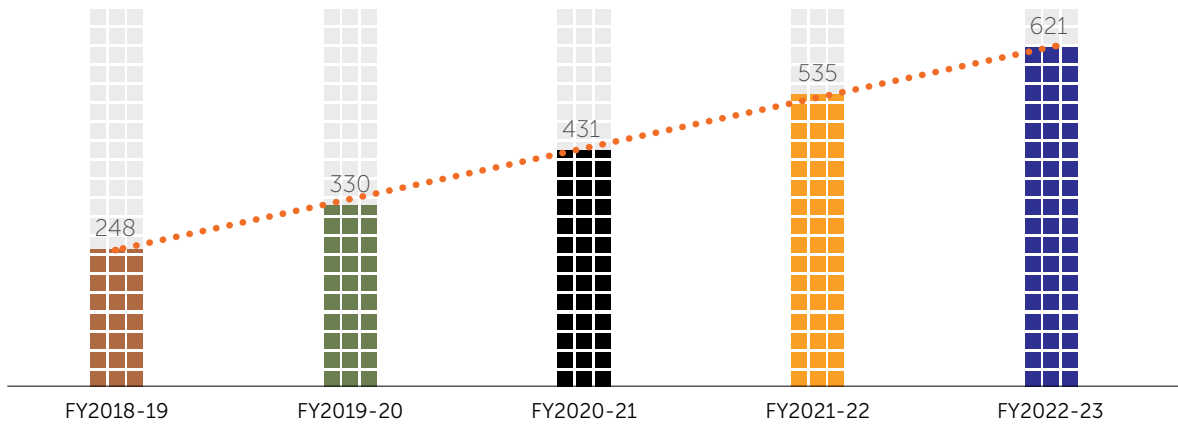


### Dividend per share

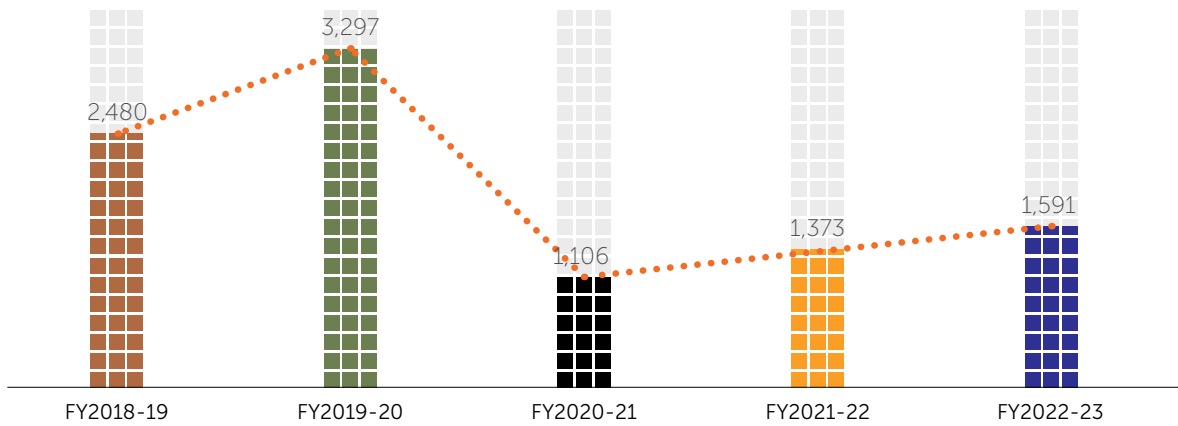




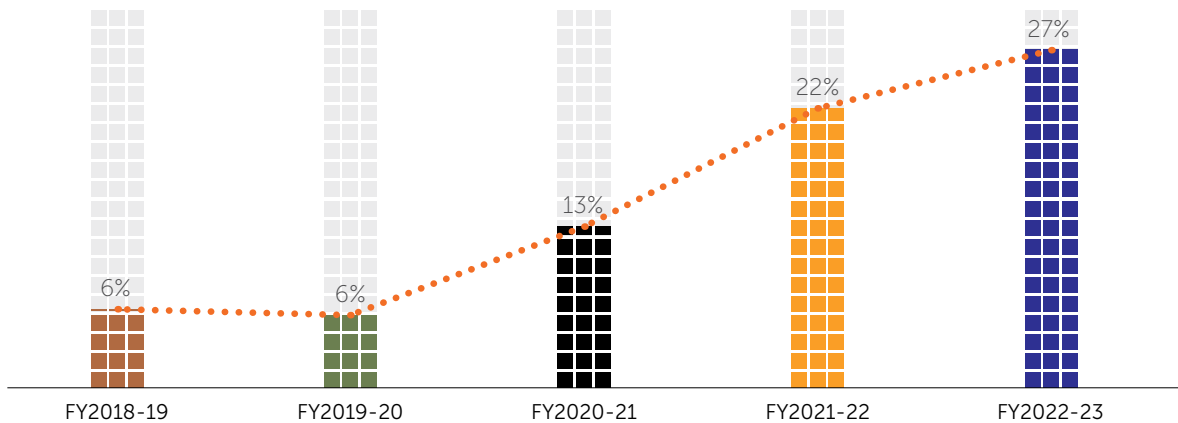
Net Asset Value (In BDT Crore)



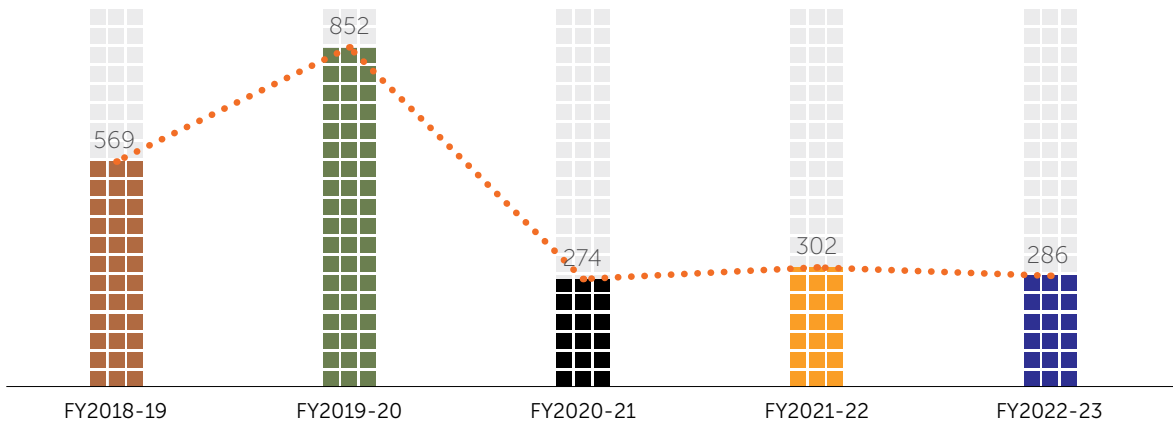
Net Asset Value Per Share (In BDT)



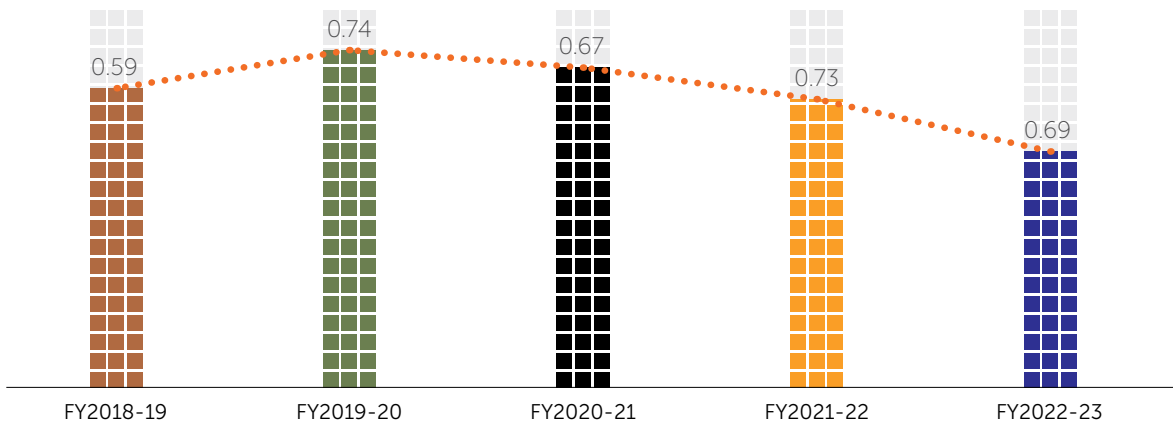
Dividend payout ratio



### Earning per Share (In BDT)



### Return on Shareholders Fund



# FINANCIAL STATEMENTS

## FY: 2022-23



SMC ENTERPRISE LIMITED

# Auditor's Report and Financial Statements SMC EL

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of SMC Enterprise Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of SMC Enterprise Limited ("SMC EL" or "the Company"), which comprise the statement of financial position as at 30 June 2023, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### 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 ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of the Company as at and for the year ended 30 June 2022 was audited by MABS & J Partners, Chartered Accountants, who expressed an unmodified opinion on those statements on 15 December 2022.

### Other Information

Management is responsible for the other information. The other information comprises all the information, but doesn't include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover

the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on other Legal and Regulatory Requirements

We report that the financial statements comply with the Companies Act, 1994 and other applicable laws and regulations. We, as required by law, further report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the statements 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 and returns.

Dhaka  
Dated: 07 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787  
DVC:2311210787AS882299

**SMC Enterprise Limited**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2023

Particulars	Notes	30 June 2023 Taka	30 June 2022 Taka
<b>Assets</b>			
<b>Non-current assets</b>		<b>3,538,976,450</b>	<b>3,027,720,757</b>
Property, plant and equipment	4	2,754,378,109	2,263,052,689
Intangible assets	4.1	14,162,124	7,347,841
Right of use (ROU) assets	4.2	341,441,953	461,367,294
Capital work-in-progress	5	428,994,264	295,952,934
<b>Current assets</b>		<b>6,967,837,134</b>	<b>6,222,196,545</b>
Inventories	6	2,999,865,767	2,204,543,434
Accounts receivable	7	131,271,925	72,181,731
Other receivables	8	179,085,966	101,499,077
Advance, security deposit and prepayments	9	1,574,573,396	1,597,539,128
Investment in FDRs	10	1,169,373,384	1,511,848,000
Cash and bank balances	11	913,666,696	734,585,174
<b>Total assets</b>		<b>10,506,813,584</b>	<b>9,249,917,302</b>
<b>Equity and liabilities</b>			
<b>Capital and equity</b>		<b>6,206,716,330</b>	<b>5,354,241,642</b>
Share capital	12	390,000,000	390,000,000
Retained earnings	13	5,816,716,330	4,964,241,642
<b>Non-current liabilities</b>		<b>709,229,186</b>	<b>748,323,480</b>
Lease Liabilities (After current portion)	14	568,082,154	672,919,845
Payable for gratuity	15	100,543,286	28,923,208
Deferred tax liability	16	40,603,747	46,480,427
<b>Current liabilities</b>		<b>3,590,868,067</b>	<b>3,147,352,182</b>
Lease Liabilities (Current portion)	14	126,191,346	121,686,538
Security deposits	17	19,866,850	15,458,309
Accounts payable	18	610,640,539	441,616,451
Other payables	19	2,069,488,578	1,718,438,400
Provision for WPPF & WF	20	81,220,840	86,535,672
Provision for Income Tax	21	683,459,914	763,616,811
<b>Total equity and liabilities</b>		<b>10,506,813,584</b>	<b>9,249,917,302</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Abul Bashir Khan, FCMA  
Chief Financial Officer



Syef Uddin Nasir  
Managing Director



Waliul Islam  
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka  
Dated: 07 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787  
DVC:2311210787AS882299

## SMC Enterprise Limited

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from Jul 2022 to Jun 2023

Particulars	Notes	30 June 2023 Taka	30 June 2022 Taka
Net revenue	22	14,148,587,576	10,739,522,871
Cost of goods sold	23	(9,450,284,592)	(6,706,871,191)
<b>Gross profit</b>		<b>4,698,302,984</b>	<b>4,032,651,680</b>
<b>Operating expenses</b>		<b>(2,952,837,955)</b>	<b>(2,335,141,954)</b>
Administrative expenses	24	(1,405,507,014)	(1,080,463,104)
Selling & marketing expenses	25	(1,547,330,942)	(1,254,678,850)
<b>Gross operating profit for the year</b>		<b>1,745,465,029</b>	<b>1,697,509,726</b>
Finance expenses	26	(215,131,198)	(28,340,588)
Net operating profit for the year		<b>1,530,333,831</b>	<b>1,669,169,138</b>
Other income	27	94,082,962	61,544,303
<b>Profit before WPPF &amp; WF for the year</b>		<b>1,624,416,793</b>	<b>1,730,713,441</b>
Provision for contribution to WPPF & WF		(81,220,840)	(86,535,672)
<b>Profit before tax for the year</b>		<b>1,543,195,953</b>	<b>1,644,177,770</b>
Income tax expense		(426,447,345)	(467,999,110)
Current tax expense		(432,324,025)	(449,883,515)
Deferred tax Income/(expense)	16	5,876,681	(18,115,595)
<b>Total comprehensive income</b>		<b>1,116,748,608</b>	<b>1,176,178,659</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Abul Bashir Khan, FCMA  
Chief Financial Officer



Syef Uddin Nasir  
Managing Director



Waliul Islam  
Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka  
Dated: 07 November, 2023

Signed for & on behalf of  
ACNABIN  
Chartered Accountants



Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787  
DVC:2311210787AS882299



**SMC Enterprise Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
For the period from Jul 2022 to Jun 2023

(Amount in Taka)

Particulars	Share capital Taka	Retained Earnings Taka	Total Equity
Opening balance	390,000,000	4,964,241,642	5,354,241,642
Net Profit for the year	-	1,116,748,608	1,116,748,608
Cash Dividend paid for the year 2021-22	-	(260,000,000)	(260,000,000)
Adjustment for final demand of tax for AY 2019-20 & 2021-22	-	(4,273,920)	(4,273,920)
<b>Balance as at 30 June 2023</b>	<b>390,000,000</b>	<b>5,816,716,330</b>	<b>6,206,716,330</b>
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 2020-21	-	(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>5,354,241,642</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Abul Bashir Khan, FCMA  
Chief Financial Officer



Syef Uddin Nasir  
Managing Director



Waliul Islam  
Chairman

Dhaka, Bangladesh  
Dated: 07 November, 2023

**SMC Enterprise Limited**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2023

Particulars	Notes	30 June 2023 Taka	30 June 2022 Taka
<b>A. Cash flows from operating activities</b>			
<b>Net profit before interest and taxes</b>		1,758,327,151	1,672,518,356
Item not involving in movement of cash:			
Total depreciation charged during the year	4	282,149,075	344,265,267
		<b>2,040,476,226</b>	<b>2,016,783,624</b>
<b>Changes in working capital/Non Operating/ Non Cash Items</b>			
Increase/(Decrease) in advances, deposit and prepayments		22,965,733	(510,262,820)
Increase in inventories		(795,322,333)	(564,048,086)
(Decrease)/Increase in accounts receivables		(59,090,194)	(41,307,992)
(Decrease)/Increase in other receivables		(77,586,889)	(30,703,224)
Increase in provision for WPPF		(5,314,832)	5,917,816
(Decrease)/Increase in provision for gratuity		71,620,078	(52,817,070)
(Decrease)/Increase in other payable		351,050,178	1,396,896,469
Increase/(Decrease) in security deposits		4,408,541	2,272,262
Increase/(Decrease) in accounts payables		169,024,088	(437,505,609)
Increase of Lease Liability		(100,332,883)	135,410,345
Payment of Finance Expenses		(215,131,198)	(28,340,588)
Adjustment of income tax		(516,754,842)	(500,565,532)
		<b>(1,150,464,554)</b>	<b>(625,054,028)</b>
<b>Net cash flow from operating activities</b>		<b>890,011,672</b>	<b>1,391,729,595</b>
<b>B. Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	4	(266,349,163)	(452,951,191)
Acquisition of intangible assets	4.1	(9,326,082)	<b>(2,469,315)</b>
Addition of ROU Assets	4.2	(5,996,702)	(257,759,494)
Disposal of Fixed Assets		236,986	9,141,467
Addition of capital work-in-progress	5	(511,969,807)	(140,039,501)
Investment in FDR		(227,136,422)	(821,863,443)
Encashment of FDR		569,611,041	459,904,657
<b>Net cash used in investing activities</b>		<b>(450,930,150)</b>	<b>(1,206,036,821)</b>
<b>C. Cash flows from financing activities</b>			
Dividend Paid		(260,000,000)	(136,500,000)
<b>Net cash used in financing activities</b>		<b>(260,000,000)</b>	<b>(136,500,000)</b>
<b>Net increase/(decrease) cash and bank balances(A+B+C)</b>		<b>179,081,522</b>	<b>49,192,775</b>
Cash and bank balances at beginning of the year		734,585,174	685,392,398
<b>Cash and bank balances at end of the year</b>		<b>913,666,696</b>	<b>734,585,174</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.



Abul Bashir Khan, FCMA  
Chief Financial Officer



Syef Uddin Nasir  
Managing Director



Waliul Islam  
Chairman

Dhaka, Bangladesh  
Dated: 07 November, 2023

**SMC Enterprise Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2023

**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:

Particulars	BDT
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	389,904,481
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	-
Adjusted with land sold by SMC	149,904,481
<b>Total cash consideration to be paid</b>	-
	149,904,481
c) Shares to be issued in phases	
29,00,000 new shares allotted on August 16,2020	290,000,000
<b>Outstanding shares to be issued</b>	(290,000,000)
	-

**1.2 Basis of preparation**

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 EL has made a contract dated 04 May 2016 with Julphar Bangladesh Limited (Now Jenphar Bangladesh Limited) for Toll Manufacturing of the pharma products. As per contract the commercial operation was started dated 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**

-Statement of Financial Position

-Statement of Profit or Loss and Other Comprehensive Income

-Statement of Changes in Equity

-Statement of Cash Flows

-Notes to the Financial Statements

### **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.

### **2.5 Use of estimates and judgments**

The preparation of financial statements requires management to make judgements, 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 Intangible Assets
- Note: 4.2 Right of Use (ROU) Assets
- Note: 6 Inventory valuation
- Note: 7 Accounts receivables
- Note: 15 Payable for gratuity
- Note: 16 Deferred tax liabilities
- Note: 21 Provision for Income Tax

## 2.6 Reporting period

The financial year of the company covers one year 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 after 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 value 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 incurred.

#### 3.2.3 Depreciation

Depreciation is charged on property, plant and equipment (except Land) using reducing balance method. Depreciation on addition to property, plant and equipment is charged from the date when assets is put into use for commercial operation. Depreciation of Tk. 131,767,717 has been charged in factory overhead on the total cost of fixed assets of all factories of Tk. 2,933,856,005 and depreciation Tk. 150,381,358 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. 1,885,596,756.

The management of the company decided to follow reducing balance method from 01 July 2022 to onwards for each item of property, plant and equipment. Previously the company followed straight line method. The rates of depreciation varies from 2.5% to 33.33% 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	5.00%
Lift	20.00%
Power sub-station	20.00%

Fire control system	20.00%
Central air conditioning	20.00%
Deep tubewell	15.00%
Plant and machineries	10.00%
QC equipment	10.00%
Central warehouse equipment	10.00%
Furniture and fittings	10.00%
Vehicles	20.00%
Other equipment	20.00%
Office equipment	20.00%
Other assets	20.00%
Mobile phone	33.33%
Water Treatment Plant	15.00%
Software Development	20.00%
Diesel Reservoir	20.00%

### 3.2.4 Amortization

Intangible assets, like software development, of the company has been amortized at 20% per year.

### 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.

#### 3.3.2 Account receivables

Account receivables 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 account 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.

### 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 # 26) comprise interest expenses which is incurred @ 1.00% p.a. on the outstanding balance of lease rental as per deed of Lease Agreement with Social Marketing Company and foreign exchange loss for opening UPAS L/C. Interest expenses under administrative expenses (Note # 24) 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.

#### 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 2023. The company adopted this standard from FY 2019-20.

In the context of the transition to IFRS 16, right of use assets Tk. 676.65 million and lease liabilities Tk. 356.53 million were recognized as on 30th June 2023. Tk. 120.29 million is due within one year, Tk. 232.62 million is due with two years but less than 5 years and Tk. 3.61 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 # 163/ AIN/2022/176-Mushak, dated 01 June, 2022. Other products are VATable.

### 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.

According to para 3 of 3rd Schedule of Income Tax Act 2023, "any realized loss regarding any asset item shall be capitalized to the acquisition cost of the asset". The tax base of the property, plant and equipment and provision for current tax are calculated based on this newly added guideline.

#### 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 2023 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 indirect 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 2023 were converted into 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.

### 3.16 Status of compliance of International Accounting Standards

The Company's status of compliance with applicable Financial Reporting Standards is as under:

IAS	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied

IAS	Title	Remarks
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

IFRS	Title	Remarks
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

Lease Tenure	Lease Amount
1 year but less than 2 years	126,191,345
2 years but less than 5 years	266,127,237
Above 5 years	301,954,918
<b>Total</b>	<b>694,273,500</b>

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
<b>4.</b>	<b>Property, plant and equipment</b>		
<b>A.</b>	<b>Cost</b>		
	Opening balance	3,410,092,267	3,100,422,331
	Less: Adjustment of opening balance	-	52,787,149
		3,410,092,267	3,047,635,182
	Add: Addition during the year	645,277,640	459,045,286
		4,055,369,907	3,506,680,469
	Less: Disposal during the year	809,286	96,588,202
	<b>Total</b>	<b>4,054,560,621</b>	<b>3,410,092,267</b>
<b>B.</b>	<b>Accumulated depreciation</b>		
	Opening balance	1,147,039,578	1,065,573,494
	Less: Adjustment of opening balance	-	52,787,149
		1,147,039,578	1,012,786,345
	Add: Charged during the year*	153,715,234	221,699,968
		<b>1,300,754,812</b>	<b>1,234,486,313</b>
	Less: Adjustment for disposal during the year	572,300	87,446,735
	<b>Total</b>	<b>1,300,182,512</b>	<b>1,147,039,578</b>
	<b>Written down value (A-B)</b>	<b>2,754,378,109</b>	<b>2,263,052,689</b>
	*In FY2022-23, the depreciation on fixed asset has been changed from straight line to reducing balance method. Total depreciation of fixed assets would have been charged Tk. 210,309,503 crore if straight line method was applied in FY 2022-23. As per International Accounting Statement-8, Accounting Policies, changes in Accounting estimates and Errors, change in the depreciation method is the change of accounting estimates (Ref. para 32 of IAS 8) which shall be recognized prospectively (Ref. para 36 of IAS 8). Accordingly, Reducing Balance method has been applied for depreciation calculation in FY 2022-23 only.		
<b>4.1</b>	<b>Intangible assets</b>		
<b>C.</b>	<b>Opening balance</b>	16,603,073	14,133,757
	Add: Addition during the year	9,326,082	2,469,316
	<b>Total</b>	<b>25,929,155</b>	<b>16,603,073</b>
<b>D.</b>	<b>Accumulated depreciation</b>		
	Opening balance	9,255,232	6,152,595
	Add: Charged during the year	2,511,799	3,102,637
	<b>Total</b>	<b>11,767,032</b>	<b>9,255,232</b>
	<b>Written down value (C-D)</b>	<b>14,162,124</b>	<b>7,347,841</b>

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
<b>4.2</b>	<b>Right of Use (ROU) Assets</b>		
E.	Opening balance	670,658,119	412,898,625
	Add: Addition during the year	5,996,702	257,759,494
		676,654,821	670,658,119
	Less: Adjustment during the year	-	-
	<b>Total</b>	<b>676,654,821</b>	<b>670,658,119</b>
<b>F.</b>	<b>Accumulated depreciation</b>		
	Opening balance	209,290,825	89,828,162
	Add: Charged during the year	125,922,043	119,462,663
	Total	335,212,868	209,290,825
	<b>Written down value (E-F)</b>	<b>341,441,953</b>	<b>461,367,294</b>
	A schedule of property, plant and equipment is given in <b>Annexure-A</b>		
<b>4.2</b>	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.		
<b>5</b>	<b>Capital work-in-progress</b>		
	Construction work at Bhaluka for ORS factory	6,977,998	22,275,381
	FMCG Production facilities at Bhabanipur	317,097,078	1,544,658
	Cumilla Area Office	1,184,804	-
	Construction work for expansion of FMD Factory	-	42,555,453
	Construction work at Khulna	2,928,088	1,452,788
	Construction work for expansion of H&H Factory	-	191,563,925
	Property, plant and equipment (Other than construction works)	100,806,297	36,560,729
		<b>428,994,264</b>	<b>295,952,934</b>
	The movement and subsequent position of this amount is as under:		
	Opening balance	295,952,934	162,007,528
	Add: Addition during the year	511,969,807	140,039,501
		807,922,741	302,047,030
	Less: Transfer to property, plant and equipments during the year	378,928,477	6,094,096
		<b>428,994,264</b>	<b>295,952,934</b>

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
<b>6.</b>	<b>Inventories</b>		
	Raw Materials	999,502,208	830,892,703
	Packaging Materials	370,225,980	269,432,588
	POP materials	17,603,655	21,623,567
	Spare parts	85,263,823	46,752,088
	Generator Fuel	4,297,080	2,213,307
	Work in Progress	20,588,446	29,292,032
	Finished Goods (Note: 6.1)	1,502,384,575	1,004,337,149
		<b>2,999,865,767</b>	<b>2,204,543,434</b>
<b>6.1</b>	<b>Net Finished Goods</b>		
	Opening balance of finished Goods	1,004,337,149	1,101,773,194
	Less: Prior year adjustment for inventory write off	3,902,547	-
	Restated opening balance	1,000,434,602	1,101,773,194
	Addition/(transfer) during the year (Net)	520,233,613	(97,436,045)
	Less: Allowance for inventory write off	18,283,640	-
		<b>1,502,384,575</b>	<b>1,004,337,149</b>
<b>7.</b>	<b>Accounts Receivable</b>		
	Receivable (Consumer Sales) (Note: 7.1)	50,067,048	55,156,344
	Receivable (Pharma Sales) (Note: 7.2)	81,204,878	17,025,387
		<b>131,271,925</b>	<b>72,181,731</b>
<b>7.1</b>	<b>Accounts receivable (other than pharma)</b>		
	Opening balance	55,156,344	30,018,762
	Add: Sales during the year	14,957,453,711	11,284,445,131
		15,012,610,055	11,314,463,893
	Less: Collection during the year	14,962,543,007	11,259,307,549
		<b>50,067,048</b>	<b>55,156,344</b>
<b>7.2</b>	<b>Accounts receivable-Pharma</b>		
	Opening balance	17,025,387	854,977
	Add: Sales during the year	1,050,132,494	830,656,332
		1,067,157,882	831,511,309
	Less: Collection during the year	985,953,004	814,485,922
		<b>81,204,878</b>	<b>17,025,387</b>

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	The aging of above accounts receivables as at the statement of financial position date was:		
	<b>Aging of the above receivables is given below</b>		
	Past due 0-30 days	110,825,071	30,602,078
	Past due 31-90 days	17,472,237	5,412,252
	Past due over 91 days	2,974,617	36,167,400
		<b>131,271,925</b>	<b>72,181,731</b>
<b>8.</b>	<b>Other Receivables</b>		
	Receivable for TBA/NGO/Packing Bill	-	1,499,810
	Receivable against insurance claim	481,673	3,512,398
	Receivable from PF, GF & WPPF	-	81,091
	Receivable for Material Loan*	26,526,656	21,068,285
	Receivable from SMC	105,446,156	-
	Receivable from ACME Agrvet & Beverage Ltd	36,249,775	-
	Sales VAT Receivable (Mushak-9.1)	-	1,077
	Receivable against Lease agreement (Note: 8.1)	-	64,434,064
	Interest receivable on FDRs	10,381,707	10,902,352
		<b>179,085,967</b>	<b>101,499,077</b>
	* According to the industry norms, SMC Enterprise Limited provides and takes raw material to the parties to which it has toll and contract manufacturing agreement for the interest of SMC Enterprise Limited.		
<b>8.1</b>	<b>Receivable against Lease agreement</b>		
	Opening balance	64,434,064	64,434,064
	Less: Received during the year	(64,434,064)	-
<b>09.</b>	<b>Advance, deposit and prepayments</b>	<b>-</b>	<b>64,434,064</b>
	Advance (Note: 9.1)	1,562,960,020	1,586,888,268
	Security Deposit (Note: 9.2)	11,613,376	10,650,860
		<b>1,574,573,396</b>	<b>1,597,539,128</b>
<b>9.1</b>	<b>Advances and prepayments</b>		
	Advance against expenses	132,380,983	19,988,412
	Advance against import	480,121,223	672,158,085
	Advance Income Tax (Note: 9.1.1)	700,753,633	783,830,089
	Prepaid Expenses	1,794,519	6,044,109
	Margin against Bank Guarantee	1,160,000	1,160,000

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Vehicle loan (Note-9.1.2)	42,418,879	34,866,842
	Advance Against Salary	2,619,408	1,913,598
	Advance to area offices and factory	1,977,685	2,852,202
	Input VAT	-	21,727
	VAT on Stock	101,471,152	42,037,839
	Progati Insurance Ltd	10,440,845	-
	Progati life Insurance Ltd	1,766,503	-
	Meghna Sugar Refinery Ltd.	42,291,339	124,489
	Abdul Monem Sugar Refinery Limited	155,184	19,958,666
	Abu Shahed Emon	1,500,000	1,500,000
	Excelsior Trading Corporation Ltd.	-	150,000
	HRC Lighting Limited	5,913	5,913
	Marks Automation Ltd.	1,665	55,500
	City Sugar Industries Ltd	38,400,000	-
	DHL Worldwide Express Pvt.	3,173	-
	EASB (Endometriosis & Adenomyosis Society)	775,000	-
	Dhaka Takies	2,922,917	-
	Badal and Company	-	220,798
		<b>1,562,960,020</b>	<b>1,586,888,268</b>
<b>9.1.1</b>	<b>Advance Income Tax</b>		
	Opening balance	783,830,089	714,952,925
	Add: Addition during the period	429,404,466	534,480,922
		<b>1,213,234,555</b>	<b>1,249,433,847</b>
	Less: Adjustment of Tax Deducted at Source	-	313,595,428
	Adjustment for the assessment year 2020-21	-	152,008,330
	Adjustment for the assessment year 2021-22	386,089,123	-
	Adjustment for the assessment year 2022-23	126,391,799	-
		<b>700,753,633</b>	<b>783,830,089</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 2021-22 (Sec.: 82BB) against the advance income tax. The company subsequently will adjust if there is any over or under provision assessed by NBR.

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
<b>9.1.2</b>	<b>Vehicle Loan</b>		
	The above loan was provided by the Company to its sales and management staff to increase their operational efficiency. Entire amount Tk 42,418,879 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	34,866,842	30,767,589
	Add: Advance given during the year	20,441,520	14,749,000
	Add: Adjustment of opening balance	-	98,625
		<b>55,308,362</b>	<b>45,615,214</b>
	Less :Adjusted/Realized during the year	12,889,483	10,748,372
		<b>42,418,879</b>	<b>34,866,842</b>
<b>9.2</b>	<b>Security Deposit</b>		
	Performance Security to BRAC	30,000	30,000
	Titas Gas	539,780	321,280
	Pragati Insurance Limited	1,000,000	1,000,000
	Palli Biddut Samitee	6,054,620	6,054,620
	Ansar & VDP	744,016	-
	Power Development Board (PDB)	768,000	768,000
	Rural Electrification Board (REB), Bhaluka, Mymensingh	2,476,960	2,476,960
		<b>11,613,376</b>	<b>10,650,860</b>
<b>10.</b>	<b>Investment in FDR</b>		
	Bank	1,025,929,655	1,325,729,874
	Non Banking Financial Institution (NBFI)	143,443,729	186,118,127
		<b>1,169,373,384</b>	<b>1,511,848,000</b>
<b>11.</b>	<b>Cash and Bank balances</b>		
	Cash in hand	4,665,867	72,756,649
	Cash at MFS	5,865,092	685,360
	Cash at bank (Note: 11.1)	903,135,737	661,143,165
		<b>913,666,696</b>	<b>734,585,174</b>
<b>11.1</b>	<b>Cash at bank</b>		
	Bangladesh Krishi Bank Ltd	33,064	33,064
	BRAC Bank Ltd	6,285,540	4,666,546



Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Dhaka Bank Ltd	1,154,035	-
	Dutch Bangla Bank Ltd	6,799,140	6,096,979
	Eastern Bank Ltd	49,953,787	28,750,353
	First Security Islami Bank Ltd	17,042,804	11,648,068
	Meghna Bank Ltd	151,718,451	-
	Prime Bank Ltd.	2,181,281	6,844,517
	Pubali Bank Ltd	82,616,932	205,990,350
	Sonali Bank Ltd	14,394,672	8,798,548
	Standard Bank Ltd	2,119,198	-
	National Bank Ltd	-	1,419,057
	Standard Chartered Bank Ltd	190,638,415	148,264,520
	The City Bank Ltd	243,410,441	61,758,433
	United Commercial Bank Ltd	110,853,604	2,155,413
	Uttara Bank Ltd	23,934,374	174,717,318
	<b>Total</b>	<b>903,135,737</b>	<b>661,143,165</b>

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 paidup

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	Amount in BDT
SMC (Represented by its director Mr. Muhammed Ali)	Shareholder	Bangladeshi	3,899,998	100	389,999,800	389,999,800
Mr. Siddiqur Rahman Chowdhury	Director	Bangladeshi	1	100	100	100
Mr. Toslim Uddin 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

4,964,241,642 3,924,562,983

Opening Balance

1,116,748,608 1,176,178,659

Add: Net profit for the year

6,080,990,250 5,100,741,642

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
		(260,000,000)	(136,500,000)
	Less: Dividend paid in cash during the period	(4,273,920)	-
	Less: Adjustment for final demand of tax for AY 2019-20 & 2021-22	<b>5,816,716,330</b>	<b>4,964,241,642</b>
<b>13.1</b>	The company maintained sufficient provision for income tax for the assessment year 2019-20 and 2021-22. Subsequently, the company paid income tax as per section 64 and 74 of Income Tax Ordinance 1984 (section 154 and 173 of Income Tax Act 2023). Upon receiving the final assessment order, there was a total shortfall of taka 4,273,920 which was subsequently paid and adjusted against retained earnings.		
<b>14.</b>			
	Less: Transferred to accounts payable	5,840,113	5,782,290
	<b>Closing Balance</b>	<b>337,746,504</b>	<b>343,586,617</b>
	Current portion (a)	5,898,515	5,840,113
	Non Current portion ©	331,847,989	337,746,503
	<b>Total</b>	<b>337,746,504</b>	<b>343,586,617</b>
	<b>Lease Liabilities (IFRS 16)</b>		
	Opening Balance	451,019,766	309,827,131
	Add: Addition during the year	33,658,981	250,585,494
		484,678,747	560,412,625
	Less: Adjustment during the year	128,151,751	109,392,859
	<b>Closing Balance</b>	<b>356,526,996</b>	<b>451,019,766</b>
	Current portion (b)	120,292,831	115,846,425
	Non Current portion (d)	236,234,165	335,173,341
	<b>Total</b>	<b>356,526,996</b>	<b>451,019,766</b>
	Total Current portion (a+b)	126,191,346	121,686,538
	Total Non Current portion (c+d)	568,082,154	672,919,845
		<b>694,273,500</b>	<b>794,606,383</b>
<b>15</b>	<b>Payable for gratuity</b>		
	Opening Balance	28,923,208	81,740,278
	Add: Provision made during the Period	100,543,286	28,923,208
		129,466,494	110,663,486
	Less: Transferred to fund during the year	28,923,208	81,740,278
		<b>100,543,286</b>	<b>28,923,208</b>

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
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**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.

	30 June 2023		
	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
<b>As at 30 June 2023</b>			
Property, plant and equipment - (Excluding land)	2,036,598,760	1,788,405,486	248,193,274
Gratuity provision	(100,543,286)		(100,543,286)
Taxable temporary difference			147,649,988
Applicable Tax Rate			27.50%
<b>Deferred tax liability</b>			<b>40,603,747</b>
<b>As at 30 June 2022</b>			
Property, plant and equipment - (Excluding land)	1,538,842,390	1,340,899,446	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>

	30.06.2023 Taka	30.06.2022 Taka
<b>Deferred (Income)/ Expense</b>		
Closing balance of Deferred tax liability	40,603,747	46,480,427
Opening Balance of Deferred tax liability	(46,480,427)	(28,364,832)
<b>Deferred tax (income)/expense recognized directly in profit</b>	<b>(5,876,681)</b>	<b>18,115,595</b>

**17 Security deposit**

	30.06.2023 Taka	30.06.2022 Taka
Neptune Advertisers	111,790	111,790
Adway Publicity	288,916	288,916
Azad Art Hall	163,363	163,363
Aziz & Company Ltd.	96,330	96,330
Asiatic Marketing Communication Ltd	154,441	154,441
Magnum Eng. & Const. Ltd	1,186,448	1,186,448
Adcomm Ltd.	9,978	9,978

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	ACMEC Consortium Ltd.	108,000	108,000
	Bitopi Advertising Ltd.	246,121	246,121
	Asiatic Marketing Comm. Ltd.	10,610	10,610
	Airy International	964,588	775,586
	Nutech Construction Chemical Ltd	41,678	41,678
	Mayer Dawua Thai Aluminium Fabricator	37,501	37,501
	Power property care service	8,375	8,375
	Godhury Marketing Communication	595,108	595,108
	Nexus Trading	-	396,366
	Nodi Enterprize	94,500	94,500
	Gray Advt.(BD) Ltd.	37,791	37,791
	Nazma Construction Co.	-	1,373,504
	ISE LTD.	64,780	64,780
	Noor Ad.	72,000	72,000
	Uranus Communication	183,000	183,000
	OOH Leader & Printers	362,250	362,250
	Confidence Trade Limited	690,744	198,768
	ICEL Private Limited	1,354,793	447,431
	THREE STAR ENGINEERING WORKS	237,506	237,506
	Tarique Hasan & Associates Limited	246,734	48,104
	Electro Mart Ltd.	233,976	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
	Marn Steel Structure Ltd.	250,685	211,393
	Base Technologies Ltd.	813,165	813,165
	BD TECHNO RIZE LTD	462,857	-
	Spectra Engineers Limited	6,792,238	-
	Energeex Engineering Ltd	298,544	-
	Hamlet Engineering	999,277	-

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	PEB Steel Alliance Ltd	560,319	-
	HORIZON TECHNO LTD.	78,900	-
	Rancon Industrial Solutions Limited	709,415	-
	ACME ELECTRONICS LIMITED	371,108	-
		<b>19,866,850</b>	<b>15,458,309</b>
<b>18</b>	<b>Accounts payable</b>		
	A Schedule of Accounts payable is given in <b>Annexure-C</b>	<b>610,640,539</b>	<b>441,616,451</b>
<b>19</b>	<b>Other payables</b>		
	Withholding tax and VAT	820,473	33,374,357
	Payable to area offices and factories	44,149	10,632,621
	Liabilities for expenses	207,118,310	112,158,309
	Liabilities for Incentive payable	93,768,591	106,952,217
	Payable to PF, GF & WPPF	3,691,151	-
	Input VAT	921,849	-
	Liability for inventory write off	-	9,425,894
	Payroll Tax payable	2,464,458	12,061
	Liabilities for UPAS LCs	1,663,653,476	1,443,474,723
	Advance collection from customers	247,366	300,366
	Sales VAT payable	86,917,657	-
	Liabilities for customers' payment	8,115,860	1,384,502
	Liabilities for staffs' gratuity loan	1,016,973	699,551
	Payable for Car maintenance	680,666	-
	SMC EL Shromik O Kormochary League	27,600	23,800
		<b>2,069,488,578</b>	<b>1,718,438,400</b>
<b>20</b>	<b>Provision for Worker's Profit Participation Fund &amp; Welfare Fund</b>		
	Opening Balance	86,535,672	80,617,856
	Add: Addition during the period	81,220,840	86,535,672
		167,756,512	167,153,528
	Less: Paid during the period	86,535,672	80,617,856
		<b>81,220,840</b>	<b>86,535,672</b>
<b>21</b>	<b>Provision for Income Tax</b>		
	Opening Balance	763,616,811	814,298,828

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Add: Provision made during the year	432,324,025	449,883,515
		1,195,940,836	1,264,182,343
	Less: Adjustment for the assessment year 2021-22 & 2022-23	512,480,922	500,565,532
		<b>683,459,914</b>	<b>763,616,811</b>
<b>22</b>	<b>Net Revenue</b>		
	Gross revenue	16,007,586,206	12,115,101,463
	Less : VAT on sales	1,658,585,310	1,276,164,649
	Less: Sales Retrun	1,694,792	1,965,032
	Less : Discount on Sales	198,718,528	97,448,911
		<b>14,148,587,576</b>	<b>10,739,522,871</b>
	Details of gross revenue is given in <b>Annexure-D</b> .		
<b>23</b>	<b>Cost of Goods Sold</b>		
	Consumption of Raw Materials (Note-23.1)	3,751,655,911	2,253,865,240
	Consumption of Packing Materials (Note-23.2)	1,788,260,106	1,191,674,544
	Factory Overhead (Note-23.3)	1,183,982,322	987,476,519
	<b>Total Cost</b>	<b>6,723,898,339</b>	<b>4,433,016,303</b>
	Opening work in process	29,292,032	13,551,676
	Closing work in process	(20,588,446)	(29,292,032)
	<b>Cost of Production</b>	<b>6,732,601,925</b>	<b>4,417,275,946</b>
	Opening stock of finished goods	1,004,337,149	1,101,773,194
	Purchase of commodities during the year (Net)	3,215,730,094	2,188,256,653
	Closing stock of finished goods	(1,520,668,217)	(1,004,337,149)
	Allowance for inventory write off	18,283,640	3,902,547
	<b>Cost of Goods Sold</b>	<b>9,450,284,592</b>	<b>6,706,871,191</b>
<b>23.1</b>	<b>Consumption of Raw Material</b>		
	Opening stock of Raw materials	830,892,704	293,086,930
	Purchase of Raw materials during the year (Net)	3,920,265,415	2,791,671,014
	Closing stock of Raw materials	(999,502,208)	(830,892,704)
		<b>3,751,655,911</b>	<b>2,253,865,240</b>
<b>23.2</b>	<b>Consumption of Packing Material</b>		
	Opening stock of Packing materials	269,432,587	181,997,928
	Purchase of Packing materials for own production	1,764,317,416	1,164,494,290

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Purchase of Packing materials for outsourced products	124,736,083	114,614,913
	Closing stock of Packing materials	(370,225,980)	(269,432,587)
		<b>1,788,260,106</b>	<b>1,191,674,544</b>
<b>23.3</b>	<b>Factory Overhead</b>		
	Salaries and Wages	389,961,562	347,125,106
	Human Resource Supplier & Management	168,031,272	73,233,691
	Local Travel & Conveyance Expenses	11,334,643	6,505,121
	General factory overhead (Note-24.3.1)	460,479,386	360,775,095
	Depreciation	131,767,718	177,437,939
	Staff/Workers free Breakfast, Lunch & Dinner	22,407,741	22,399,566
		<b>1,183,982,322</b>	<b>987,476,519</b>
<b>23.3.1</b>	<b>General Factory Overhead</b>		
	Electricity Bill	90,352,279	88,785,563
	GAS Bill	2,081,771	1,347,040
	Warehouse Rent	15,112,100	15,572,100
	Telephone bill	908,553	797,254
	Internet Service	1,200	67,620
	Automobile Servicing	496,485	613,239
	Vehicle Fuel from Petrol Pump	807,096	752,091
	Uniform & Liveries	6,504,351	4,989,559
	Meeting and conference expenses	63,745	
	Courier and Express Mail Service	26,990	25,420
	Factory supplies	70,413,380	59,869,584
	Toll Manufacturing Charge	146,250,209	101,952,231
	Repairing & Servicing	12,652,936	11,150,346
	Loading & Unloading Charges	9,187,640	8,719,681
	Govt. Taxes & License fees	2,494,578	1,672,709
	Product Registration Fees	-	40,146
	Incentive	29,441,916	30,921,027
	Security services	10,201,506	8,769,507

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Fuel from Petrol Pump	164,444	546,750
	Printing Expenses	-	3,525,675
	Medical Expenses	8,088,640	4,738,377
	Consulting & Supervisory Fees	198,167	-
	Fuel from Oil Marketing Companies	51,171,123	13,059,820
	BRTA Expenses (Tax, Fitness etc)	-	12,127
	Entertainment	3,047,763	2,286,571
	House Cleaning and Maintenance	662,514	560,659
	Legal and professional expenses	150,000	-
		<b>460,479,386</b>	<b>360,775,095</b>
<b>24</b>	<b>Administrative Expenses</b>		
	Salaries and benefits	894,203,259	683,975,053
	Human Resource Supplier & Management	1,070,862	655,613
	Rent	77,222,379	45,582,769
	Electricity Bill	6,700,599	6,058,625
	GAS Bill	495,540	269,753
	Water Bill	241,296	289,348
	Internet Service	1,146,347	817,941
	Credit Rating Services	107,500	138,000
	Telephone Bill	17,155,231	14,070,204
	Bank & NBFi Service	6,096,569	3,806,330
	Office Supply	67,068,810	40,018,130
	Repairing & Servicing	5,273,772	7,744,660
	Legal and professional expenses	4,153,018	4,644,424
	Product Registration Fees	149,614	252,478
	Courier and Express Mail Service	1,213,390	661,588
	Govt. Taxes & License fees	23,670,570	24,935,387
	Security service	20,376,439	13,091,652
	Tear note exchange expenses	139,228	111,800
	Board Meeting Fees	6,153,285	4,768,930



Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Recruitment Expenses	2,770,186	2,359,140
	Bad Debt Expenses	357,005	-
	Software & Hardware Support Services	11,824,666	8,873,703
	Entertainment	13,320,700	6,360,410
	Meeting & conference exp.	14,627,517	11,464,760
	Insurance Expenses (General)	12,402,582	13,640,749
	Life Insurance	2,755,731	2,349,386
	Audit fees	707,250	640,000
	Staff/Workers free Breakfast, Lunch & Dinner	6,643,698	1,711,414
	Sample Expenses	37,096	614,991
	Medical Expenses	14,178,328	10,428,573
	House Cleaning and Maintenance	2,810,656	1,240,568
	Uniform & Liveries	1,156,746	1,044,083
	BRTA Expenses (Tax, Fitness etc)	692,723	930,164
	Printing Expenses	272,043	5,087,643
	Fuel from Petrol Pump	66,198,648	39,431,405
	Subscription on Trade & Professional Bodies (registered)	109,358	-
	Automobile Garage & Workshops	10,973,806	11,421,512
	Consulting & Supervisory Fees	12,847,048	2,543,721
	Interest Expenses (Lease-ROU assets)	25,946,625	25,844,635
	Depreciation	72,236,896	82,583,561
		<b>1,405,507,014</b>	<b>1,080,463,104</b>
<b>25</b>	<b>Selling &amp; Distribution Expenses</b>		
	Advertisement Expenses	318,804,951	273,866,598
	Promotional Expenses	92,497,247	124,370,842
	Training Expenses	5,776,821	3,584,949
	RMP/TBA/Seminar/GDS	1,291,458	-
	Research & Development	4,836,527	3,242,690
	Office Supply	77,234,278	-
	Incentive	52,075,907	59,616,386

Note	Particulars	30.06.2023 Taka	30.06.2022 Taka
	Local Traveling & Conveyance	230,593,285	160,145,105
	Cartage & porter	109,856,693	85,373,147
	Transport Contractors	332,842,589	258,767,714
	Salary and wages for SR/Deliveryman/part time workers	209,070,849	174,459,696
	Fuel from Petrol Pump (Gas)	34,305,875	26,942,588
	Depreciation	78,144,463	84,309,135
		<b>1,547,330,942</b>	<b>1,254,678,850</b>
<b>26</b>	<b>Finance Expenses</b>		
	Interest in UPAS L/C	38,535,294	24,846,899
	Finance expenses for Lease Liability	3,435,866	3,493,689
	Foreign exchange loss (net)	173,160,038	-
		<b>215,131,198</b>	<b>28,340,588</b>
<b>27</b>	<b>Other Income</b>		
	Interest on FDR investment	75,929,326	51,050,039
	Interest on STD accounts	7,106,721	4,669,160
	Income from sale of scrap	10,753,677	5,249,398
	Income from insurance claim	140,000	263,648
	Income from Sale of Property, Plant & Equipment	153,238	312,058
		<b>94,082,962</b>	<b>61,544,303</b>
<b>28</b>	<b>Related party transactions</b>		

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	Sale proceeds of SMC's products	-	373,557,852	-
2	Sales proceeds of Vermicid & Monimix	104,771,919	-	-
3	Somaject packaging bill/TBA-NGO Meet	2,591,973	-	16,100
4	Monimix bonus card paid to customers	-	4,654,902	-
5	Advance payment	90,000,000	190,000,000	-
6	Payment for Lease	-	9,275,979	-
7	Expenses incurred for common services	-	67,360,339	-
8	Office rent	-	71,311,844	-

**29 Capital Expenditure Commitment**

There is no other capital expenditure commitment or contract except Vendor's Agreement as on 30 June 2023.

**30 Payments in foreign currency**

		Amount in FCY	
		2022-2023	2021-2022
Import of machineries			
USD		2,249,386	2,044,896
EURO		190,084	172,804
GBP		-	-
Import of raw materials			
USD		25,728,103	23,389,185
EURO		105,371	95,792

**31 Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994:**

The company had 1,585 permanent employees as at 30 June 2023 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.

		Amount in BDT	
		2022-2023	2021-2022
Permanent employees		1,585	1,410
Contractual & seasonal employees		234	181

**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

Basic Salary	3,712,500	5,350,000
Other benefit	5,162,955	7,271,818
	<b>8,875,455</b>	<b>12,621,818</b>

**33 Disclosure as per Schedule XI, Part II, Para 7 of the Companies Act 1994:**

**Particulars**

**Production (In Pcs)**

Installed Capacity (Targeted production)	1,200,000,000	1,000,000,000
Actual Production	1,146,867,000	1,014,600,000
Utilization	95.57%	98.27%

**Toll Manufacturing (In Packs)**

Production Contract	3,406,390	3,601,686
Actual Received	3,406,390	3,601,686
Accomplishment	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	
	2022-2023	2021-2022
Accounts receivables	131,271,925	72,181,731
Other receivables	179,085,966	101,499,077
Advance & deposit & prepayments	1,574,573,396	1,597,539,128
Cash and bank balances	913,666,696	734,585,174
	<b>2,798,597,983</b>	<b>2,505,805,110</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 2023	Contractual cash flows (Taka)	1 year or less BDT.	More than 1 year Taka
Lease Liability	694,273,500	126,191,345	568,082,155
Security deposits	19,866,850	19,866,850	-
Accounts payable	610,640,539	610,640,539	-
Other payables	2,069,488,578	2,069,488,578	-
Income tax provision	683,459,914	683,459,914	-

As at 30 June 2022	Contractual cash flows (Taka)	1 year or less BDT.	More than 1 year Taka
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	-

### 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.

#### i) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

##### Foreign currency denominated assets

	2022-2023 Taka	2021-2022 Taka
Receivable from the Prime Bank against FDR Lien	80,000,000	50,000,000
Receivable from the Standard Chartered Bank against FDR Lien	300,000,000	200,000,000
Receivable from the Dhaka Bank against FDR Lien	50,000,000	-
Receivable from the Pubali Bank against FDR Lien	50,000,000	50,000,000
Receivable from the Meghna Bank against FDR Lien	100,000,000	-
Receivable from the Standard 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	150,000,000
	<b>830,000,000</b>	<b>500,000,000</b>

The rate of exchange has been applied which was circulated from the Bangladesh Bank in the bank's website as on 30-June 2023.

#### 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-2023	
	Carrying Amount	Fair Value
<b>Financial Assets</b>		
<b>Held to Maturity</b>		
Investment in fixed deposit (short term)	1,169,373,384	1,169,373,384
<b>Loans and receivables</b>		
Accounts receivables	131,271,925	131,271,925
Other Receivables	179,085,966	179,085,966
Advance, deposit and prepayments	1,574,573,396	1,574,573,396
<b>Financial Liabilities</b>		
<b>Liabilities carried at amortized costs</b>		
Security deposits	19,866,850	19,866,850
Accounts payable	610,640,539	610,640,539
Other payable	2,069,488,578	2,069,488,578
<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

## SMC Enterprise Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

(Amount in Taka)

Particulars	Cost				Rate	Depreciation				Written down value as on 30.06.2023
	Balance as on 01.07.22	Addition during the period	Adjustments during the period	Total balance as on 30.06.2023		Balance as on 01.07.22	Charged during the period	Adjustments during the period	Total balance as on 30.06.2023	
	Taka	Taka	Taka	Taka		Taka	Taka	Taka	Taka	
Land	731,558,140	383,333	-	731,941,473	-	-	-	-	-	731,941,473
Building	673,552,791	354,244,108	-	1,027,796,899	2.5 & 5	23,208,952	-	-	175,069,669	852,727,230
Central warehouse equipment	31,644,396	8,624,000	-	40,268,396	10	1,985,130	-	-	15,977,636	24,290,760
Deep tubewell	1	2,480,971	-	2,480,972	15	299,739	-	-	299,739	2,181,234
Diesel reservoir	615,692	-	-	615,692	20	9,580	-	-	577,370	38,322
Fire control system	16,238,087	6,539,299	-	22,777,386	20	1,383,441	-	-	13,883,174	8,894,212
Furniture & fittings	58,557,755	18,210,683	(39,298)	76,729,140	10	4,774,611	(18,199)	-	24,383,058	52,346,081
Vehicles	110,598,764	9,231,518	(442,500)	119,387,782	20	3,493,389	(378,106)	-	100,155,096	19,232,686
Lift	20,132,371	2,756,090	-	22,888,461	20	2,038,331	-	-	12,515,909	10,372,552
Office equipment	91,196,531	37,111,273	(282,269)	128,025,535	20	12,636,787	(135,642)	-	58,363,114	69,662,421
Other assets	114,636,881	-	-	114,636,881	20	2,036,431	-	-	103,552,256	11,084,625
Other equipment	104,463,775	-	(45,219)	104,418,556	20	885,247	(40,354)	-	100,867,981	3,550,575
Plant & machinery	1,188,600,610	164,258,665	-	1,352,859,275	10	85,497,656	-	-	491,457,561	861,401,714
Power sub station	76,964,222	9,998,239	-	86,962,461	20	3,405,738	-	-	63,916,512	23,045,950
QC equipment	56,968,162	13,438,355	-	70,406,517	10	5,351,910	-	-	19,697,582	50,708,934
Renovation & Decoration	2,800,487	3,478,066	-	6,278,553	10	524,240	-	-	606,528	5,672,025
Central a/c system	127,928,185	14,523,039	-	142,451,224	20	5,993,420	-	-	116,939,622	25,511,602
Water treatment plant	3,635,417	-	-	3,635,417	15	190,635	-	-	1,919,705	1,715,712
<b>Total</b>	<b>3,410,092,267</b>	<b>645,277,640</b>	<b>(809,286)</b>	<b>4,054,560,621</b>		<b>153,715,234</b>	<b>(572,300)</b>	<b>(572,300)</b>	<b>1,300,182,512</b>	<b>2,754,378,109</b>
Intangible assets	16,603,073	9,326,082	-	25,929,155	20	2,511,799	-	-	11,767,031	14,162,124
Right of use (ROU) assets	670,658,119	5,996,702	-	676,654,821		125,922,043	-	-	335,212,868	341,441,953
<b>Grand Total</b>	<b>4,097,353,458</b>	<b>660,600,424</b>	<b>(809,286)</b>	<b>4,757,144,597</b>		<b>282,149,075</b>	<b>572,300</b>	<b>572,300</b>	<b>1,647,162,411</b>	<b>3,109,982,186</b>

Depreciation Allocated to:	Amount in BDT	
	2022-2023	2021-2022
Factory Over head	131,767,717	177,437,939
Administrative expenses	72,236,895	82,583,561
Selling & Distribution expenses	78,144,463	84,309,135
Total	282,149,075	344,330,635

Depreciation charged during the year is being allocated to factory over head, administrative overhead and selling & Distribution overhead on the basis of allocation where the assets are used.

**SMC Enterprise Limited**  
**SCHEDULE OF INVENTORIES**  
As at 30 June 2023

(Amount in Taka)			
Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
<b>Raw Materials:</b>			
1	Food Manufacturing Unit (FMCG)	145,341,897	76,381,477
2	Health & Hygiene Unit	373,797,026	494,361,877
3	Pharma Unit	99,725,022	80,571,084
4	MoniMix Unit	16,941,957	6,841,580
5	Vermicid Unit	2,447,293	9,174,034
6	ORSaline-N Unit	360,104,506	163,562,652
<b>Total Raw Materials</b>		<b>998,357,701</b>	<b>830,892,703</b>
<b>Packaging Materials</b>		<b>370,225,980</b>	<b>269,432,587</b>
<b>Work in process</b>		<b>20,588,446</b>	<b>29,292,032</b>
<b>Finished Product Stock:</b>			
1	ORSaline-N	309,751,190	63,275,881
2	Panther	102,448,421	59,119,992
3	Sensation	64,800,916	40,963,254
4	Hero	18,463,799	11,371,293
5	U & me	21,153,696	21,449,486
6	Xtreme	14,932,058	17,920,225
7	Amore	5,546,478	8,111,121
8	Raja	13,393,666	14,405,791
9	Minicon	13,973,463	14,567,942
10	Noret-28	31,053,837	16,521,492
11	Ovacon gold	692,966	723,834
12	Mypill	1,455,108	2,896,438
13	Femipill	15,707,991	24,892,282
14	SmartPill	3,071,214	3,390,170
15	Norix	19,561,833	16,896,509
16	Femicon	83,526,807	117,904,825



Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
17	Joya Sanitary napkin	243,139,455	91,034,141
18	Smile Baby Wipes	7,759,338	2,377,894
19	Smile Baby Diaper	143,777,886	158,157,867
20	Bolt	25,459,526	39,095,531
21	SMC Fruity	78,281,076	32,853,590
22	Taste me	107,698,502	103,911,749
23	Super Kid	43,474,430	9,475,090
24	SMC Honey	290,653	997,087
25	SMC Plus	11,335,039	1,071,166
26	Germ Kill all variants	11,128,533	17,012,429
27	SMC Petroleum Jelly	29,352,007	14,793,806
28	SMC Drinking Water	62,790	258,066
29	Pharma Products	97,885,308	98,388,324
30	Vermicid 400mg tablet	1,490,232	-
31	MoniMix 1gm	-	499,873
	<b>Total Finished Goods</b>	<b>1,520,668,217</b>	<b>1,004,337,150</b>
1	POP Materials	17,603,655	21,623,567
2	Generator Fuel	4,297,080	2,213,307
3	Spares parts	85,263,822	46,752,088
	<b>Total Inventories</b>	<b>3,017,004,899</b>	<b>2,204,543,434</b>

**SMC Enterprise Limited**  
**SCHEDULE OF ACCOUNTS PAYABLE**  
As at 30 June 2023

(Amount in Taka)

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
1	Dymon Science & Chemicals Ltd	52,600	298,500
2	Otobi Ltd	-	37,600
3	Social Marketing Company	43,747,062	51,732,339
4	Renata Limited	58,214,756	61,017,999
5	Pragati Insurance Limited	1,557,940	2,276,979
6	Alpine Fresh Water System Ltd	12,411	17,280
7	M/s. Alim Packaging Printing & Accessori	138,000	888,600
8	Star Seven Printing & Packaging Ltd.	830,499	497,722
9	Printing Mart Ltd.	1,457,387	6,345,323
10	Unity Through Population Service (UTPS)	345,457	1,110,737
11	ACI LTD	75,000	154,924
12	Bitopi Advertising Ltd.	763,951	466,096
13	Fully Furnished Ltd.	-	48,050
14	Popular Pharmaceuticals Ltd.	43,130,904	62,534,705
15	Genteel Engineering Company Ltd	55,000	507,500
16	Thakral Information Systems Pvt. Ltd.	-	159,000
17	Flora Limited	-	35,380
18	Cross World Ltd.	-	112,875
19	Adway Publicity	4,603,954	4,925,112
20	Ashraf Printing & Packaging	24,752	545,079
21	Bdjobs.com. Ltd.	-	121,500
22	Chem Pure Bangladesh Ltd.	2,163,150	3,450
23	Bay Engineering & AC Equipment	-	280,000
24	Essential Drugs Company Ltd	-	2,594,236
25	Rashid Filling Station	293,210	166,400
26	Royal Filling Station	149,759	116,587
27	R.R. Enterprise	328,357	447,802
28	Mukti Printing	484,940	478,482
29	Bengal Media Corporation Ltd .	4,673,409	5,394,651
30	Mark Asia Limited	69,585	668,365

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
31	S.A. International	40,889	106,834
32	Brenntag Bangladesh Ltd	-	34,500
33	Bright International	-	4,870,800
34	Leo Positive	6,085	6,085
35	International Office Machines Ltd	-	542,875
36	Hoque Trade International	-	4,192,000
37	Grey Advertising Bangladesh Ltd.	460,000	2,714,870
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	87,250	87,400
42	Global Capsules Ltd	1,811,250	209,300
43	Jenphar Bangladesh Limited	11,578,091	11,871,078
44	Packstone Limited	-	270,602
45	ZK Foils Limited	-	271,343
46	Asiatic Marketing Communications Ltd	2,619,017	333,023
47	K. M. HASAN & CO.	172,500	172,500
48	Local Supplier	124,746	103,518
49	Aziz & Company Ltd.	-	117,720
50	AERP Software Limited	46,666	43,299
51	The Merchants Ltd.	6,354,032	2,656,246
52	SGS Bangladesh Limited	211,683	283,204
53	Fortune Scientific Company	168,900	23,350
54	Diku International Limited	3,989,436	2,276,234
55	Anyadin	-	46,000
56	Brandzeal Consultancy Ltd.	57,501	57,500
57	Bashundhara Printing Zone	5,439,241	4,829,890
58	M/S Nuha Enterprise	688,924	487,812
59	Mediastar Limited.	-	546,250
60	Ancient Steamship Company Limited	6,533,888	1,009,000
61	Padma Trading Corporation	646,181	1,365,441
62	M/S. Moral Enterprise	158,772	418,513
63	Octopi Communications Ltd	1,150,184	2,383,253
64	Quality Printing & Packaging	6,096,500	2,406,910
65	M/S. Sonali Enterprise	1,337,657	665,804

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
66	Samrat Industries	-	373,500
67	AJ Overseas Company Ltd.	452,138	43,732
68	Al-Noor Scientific Co.	23,090	4,200
69	SINDABAD.COM LTD.	28,060	238,094
70	AB Chemical & Perfumeries	32,250	15,588
71	Buildtrade Foils Ltd.	1,452,409	759,118
72	The Glory International	-	3,270
73	BBS Cables Ltd.	-	57,921
74	Enovak Industrial Solver	60,033	36,921
75	Bangladesh Trustful Firefighting	-	269,000
76	Zakia Enterprise	49,294	78,857
77	Elite Security Services Ltd.	1,748,796	1,125,776
78	RFL ELECTRONICS LIMITED	2,344,951	3,449,451
79	Emkay Enterprises Limited	-	90,000
80	Bismillah Plastics	480,000	480,000
81	The ACME Laboratories Ltd.	15,269,101	29,119,788
82	Key On Machinery Stores	-	52,070
83	Manikgonj Printers & Packaging	685,050	9,058,260
84	Badal and Company	12,531,652	-
85	Moitry Plastic Industries Ltd.	-	60,375
86	Energypac Electronics Ltd.	-	32,000
87	James International	3,410,512	2,087,386
88	Barind Media Ltd.	1,185,075	719,440
89	Somoy Media Limited.	245,717	1,028,480
90	Multi Media Production Co. Ltd.	6,694,677	3,029,388
91	Shamprotik	-	57,500
92	The Pirojpur Printing & Packaging	631,971	5,122,164
93	Maasranga Communications Ltd.	2,615,328	230,000
94	Mediaworld Limited.	-	75,000
95	SMC Niltara Clinic	-	323,550
96	Nusrat Faria	-	3,194,446
97	Gaanchill Media Limited.	151,800	310,500
98	V. M. International Ltd.	184,000	643,609
99	Boishakhi Media Limited.	267,375	2,086,292
100	Shamol Bangla Media Ltd.	3,277,356	1,725,000

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
101	The Daily Kalerkantha	-	51,750
102	International Television Channel Ltd.	2,198,799	781,999
103	Gren Automation Solution	-	96,272
104	Axis Corporation	25,200	25,200
105	IFAD MULTI PRODUCTS LTD.	4,079,634	3,310,884
106	Kazi Media limited.	2,033,046	1,442,100
107	ATV Limited.	-	2,936,872
108	Md. Fazlur Rahman Khan	122,445	10,000
109	Beximco Pharmaceuticals Ltd.	7,778,866	6,154,373
110	SOURCE TRADE INTERNATIONAL	-	215,539
111	Rangpur Metal Industries Limited	614,205	104,270
112	ATN NEWS LIMITED	1,022,925	525,263
113	Rashid Enterprise	-	285,128
114	Idea Communication	-	448,500
115	Mayer Doa Enterprise	6,457,041	6,326,966
116	Smart Technologies (BD) Ltd.	-	198,000
117	Digital Bridge	84,200	49,280
118	Trans Asia Industries Ltd.	-	2,350,000
119	A.H.KHAN & CO.	-	29,347,356
120	WebAble Bangladesh Limited	17,406,997	687,295
121	Bijoy TV Limited.	191	134,358
122	Jadoo Media Ltd.	-	136,850
123	Strategic Transformation Consultants Ltd.	-	284,963
124	F.M. Science Center	-	406,070
125	AANT Cosmetics Limited	70,421	70,422
126	Arena Phone BD. Ltd.	753,000	305,000
127	Allied Graphic	57,500	126,500
128	Dhaka Bangla Media & Communication Ltd.	629,130	248,586
129	Corporate Projukti Ltd	100,030	200,060
130	Care Nutrition Limited	6,965,660	9,150,726
131	Advantis Intasl Bangladesh (Pvt) Ltd.	2,735,278	2,735,278
132	Zakir Ahmed	-	80,100
133	Green Dot Limited	-	7,768
134	Rangs Electronics Limited	-	1,232,975
135	Meghna Traders	-	13,975

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
136	Impress Telefilm Limited	4,227,112	448,500
137	Grameenphone Ltd.	163,530	10,130
138	Klystron Automation Co. Ltd	-	482,828
139	Global Brand Pvt. Ltd.	54,000	398,350
140	GM Packaging & Printing Ltd.	-	933,995
141	Ingenious Resources	520,898	52,786
142	Netplanet Information System Ltd	5,000	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 Agrovet and Beverages Limited	44,553,953	6,433,778
149	Computer Ease Limited	141,750	110,250
150	NUVISTA PHARMA LIMITED	10,554,600	91,545
151	Padma Blowing Ltd.	21,370	457,125
152	Master Simex Paper Limited	75,000	87,500
153	Chowdhury Printers Limited	-	39,560
154	NI MAKKA MADINA ENTERPRISE	-	46,462
155	N9ine Consultancy	-	6,107,777
156	Monsur Biri Factory (P) Ltd	97,272	96,853
157	Shajinaz Exim Pack Ltd.	-	1,290,861
158	Banga Flavour Fragrance (Pvt.) Ltd.	-	879,998
159	Asiatic Aluminium Ltd.	-	347,749
160	ARRA Technologies Limited	11,600	202,300
161	SEVEN CIRCLE (BANGLADESH) LTD	1,388,601	286,800
162	NDE Ready Mix Concrete Ltd	-	173,869
163	Star Tech & Engineering Ltd.	-	456,800
164	The Mighty Byte Ltd.	159,863	159,863
165	Creatrix Soft Tech Limited	170,000	45,000
166	Joy Enterprise	-	342,768
167	Belt Solution	-	91,680
168	Kaas Trade	-	252,000
169	M/S Rahman Traders (WH Rent)	-	120,750
170	MR. NASIR UDDIN AHMED MAZUMDER	243,800	243,800

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
171	INCAP	11,500	11,500
172	United Machinery Bangladesh	-	22,550
173	HRC Technologies Limited	37,005	29,642
174	MULTITEC ELECTRIC	-	73,920
175	M/S. Meghna Transport Agency	-	31,200
176	MD. ABDUS SALAM	57,500	57,500
177	Fast Translation	-	10,777
178	BRAC Learning Center, Rangpur	-	39,820
179	Hotel Castle Soad	-	41,112
180	Ideal Solution Ltd	-	77,000
181	Maa Printing and Packaging	677,581	3,524,746
182	Sonargaon Hotel	-	3,839,987
183	MN Corporation	-	56,932
184	Best Structural Steel Ltd.	-	1,064,772
185	WAC Logistics Ltd	236,943	1,946,418
186	Singer Bangladesh Ltd.	-	8,073,768
187	Insight Metrics Limited	569,250	1,495,000
188	Xeon Technology	-	239,500
189	Germany Computer and Telecom Ltd.	-	105,450
190	A. S & Associates	-	46,000
191	MOJUMDAR INTERNATIONAL	-	24,000
192	The Daily Amader Shomoy	-	30,000
193	Bitopi	-	524
194	Employees' Final Settlement	-	695,638
195	Mabs & J Partners	-	575,000
196	Nadia Furniture Limited	360	360
197	Al-Arafah Belt House	33,200	-
198	Asia Plastic Container Ind.	737,999	-
199	Bangladesh - Japan Training Institute	7,245	-
200	Bearing Betan	344,000	-
201	Bengal FlexiPak Ltd	15,669,587	-
202	Glide Printing & Packaging Ind. Ltd.	3	-
203	Hamko Corporation Ltd.	1,073,050	2,820,000
204	Kalyar Replica Limited	4,598,045	-
205	M/s ACNABIN	603,750	-

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
206	M/S. Madina Chemical	3,225,000	-
207	Modern Office Equipments	52,000	-
208	Multi Product Engineering Limited	66,000	-
209	Print Age Limited	12,000	-
210	Print Media	1,400,311	719,170
211	Remo Chemicals Ltd. BD	161,000	-
212	Scorpion Services	12,686	-
213	Sristy Printers	1,033,680	-
214	Top of Mind	14,006,379	-
215	Walton Plaza	415,806	6,619,432
216	ZN Network	1,110,000	-
217	360	1,380,000	-
218	ADCOMM LIMITED	598,000	-
219	Banga Building Materials Ltd.	178,336	-
220	Bangladesh Export Import Co. Ltd	1,211,520	-
221	Bangladesh Lamps Limited	76,500	-
222	Bearing Sales Corporation	220,790	-
223	Beyond Rationale	137,500	-
224	Brand Practitioners Bangladesh	100,000	-
225	Broad Band Telecom Services Ltd	10,800	-
226	Creative Trade International	458,607	-
227	Dr. Yesmin Hemayet Ahmed, Director, SMC	24,444	-
228	DSV Air & Sea Ltd.	678,816	-
229	East West Media Group Ltd.	57,500	-
230	FM ENTERPRISE	427,158	-
231	Furniture Concept & Interior Ltd	190,000	-
232	Hamlet Engineering	323,599	-
233	Hologram Bangladesh Limited	238,140	-
234	Islam & Sons	2,103,898	-
235	Kansai Nerolac Paints (Bangladesh) Limited	1,905,604	-
236	Khan's Kitchen Ltd.	247,224	-
237	M/S Jawad Enter Mark	240,160	-
238	Micro Tools & Machineries	47,343	-
239	Millennium Media Limited.	3,583,400	-
240	Mohona Television Limited	957,854	-



Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
241	Monthly Gonoshasthaya	82,800	-
242	New Zealand Dairy Products Bd. Ltd.	96,840	-
244	Ranks ITT Limited	15,000	-
245	Rohan Electric	62,410	-
246	SABA MACHINERY STORE	147,500	-
247	Safety Source Ltd	190,500	-
248	Sincos Automation Technologies Ltd.	298,313	-
249	SMC Clinic	546,722	-
250	Source & Service	133,838	-
251	Suchona International	169,360	-
252	THE PRESCRIPTION	1,326,000	-
253	TQCSI (Bangladesh)	152,000	-
254	Unique Electric	78,185	-
255	1000 Fix Services Limited	5,378	-
256	A H KHAN & CO. Ltd.	62,842,719	-
257	ABC BUILDING PRODUCTS LTD	1,117,148	-
258	Asha Enterprise	133,400	-
259	Bangla TV Limited	1,858,960	-
260	Bismillah Corporation	252,145	-
261	Bloc 1080 Limited.	11,140,331	-
262	BRACNet Limited	36,960	-
263	Colour Game Limited	1,262,142	-
264	Department of Finance-Programs	239,584	-
265	Eastern IT	3,400	-
266	Firetech Solutions Limited	106,639	-
267	GPH Ispat Limited	3,139,200	-
268	Happy Nappy	141,480	-
269	INOVA INTERNATIONAL	537,500	-
270	JITA SOCIAL BUSINESS BANGLADESH LTD	929,528	-
271	M/S Rahman Traders	316,307	-
272	M/s Ruby Enterprise	252,344	-
273	M/S. Dewan Enterprise	255,428	-
274	Mahatab Offset Printers	578,200	-
275	Manikgonj Printers & Packaging Ltd.	12,882,304	-
276	Moitry Plastic Industries Ltd.	48,300	-
277	Moriom Enterprise	1,114,837	-

Sl.	Particulars	30.06.2023 Taka	30.06.2022 Taka
278	MOZIR & CO	235,988	-
279	NAAFCO Pharma Ltd	933,624	-
280	Nexus Trading	5,590,885	-
281	PEB Steel Alliance Ltd	8,541,308	-
282	photoghor	211,692	-
283	PNL HOLDINGS LIMITED	40,000	-
284	Pran Dairy Ltd	565,800	-
285	Rancon Industrial Solutions Limited	29,150	-
286	Robi Axiata Limited	719,713	-
287	Shabnam Vegetable Oil Industries Ltd.	1,531,250	-
288	SHAWON RENT-A-CAR	267,400	-
289	Singer Bangladesh Limited	13,340,510	-
290	Sonali Scientific Stores	59,300	-
291	Spectra Engineers Limited	20,157,454	-
292	STANDARD CALIBRATION SERVICE PRIVAT	45,650	-
293	SUNIMEX CORPORATION	144,900	-
294	Tampaco Foils Limited	3,550,067	-
295	Dividend payable to Mr. Ali Reza Khan	45	-
296	Dividend payable to Mr. Siddiqur Rahman Chowdhury	45	-
297	The Nielsen Company (Bangladesh) Limited.	1,144,250	-
298	Top Color Printing & Packaging	885,000	-
299	TradeEx Bangladesh	63,000	-
300	TROYEE PLATFORM	457,663	-
301	Truetech Pvt. Limited	1,530,000	-
302	Walton Hi-Tech Industries PLC	388,179	-
303	Employees Final Settlement	3,835,218	-
	<b>Total</b>	<b>610,640,539</b>	<b>441,616,451</b>

**SMC Enterprise Limited**  
**ITEMWISE DETAILS OF GROSS REVENUE**  
As at 30 June 2023

Brand name (Unit)	Quantity	Average selling price per unit	Amount in BDT	
			2022-2023	2021-2022
HERO (Pcs)	26,458,422	3.2	84,632,901	69,021,264
Amore (Pcs)	1,224,981	21.6	26,449,128	19,007,540
Panther (Pcs)	85,776,847	4.1	350,343,917	260,157,408
Sensation (Pcs)	36,313,485	6.2	223,428,825	158,917,010
U & ME (Pcs)	17,313,764	8.9	153,514,566	114,204,557
Extreme (Pcs)	3,544,612	16.9	59,905,308	44,015,265
RAJA (Pcs)	12,237,350	2.0	24,068,975	23,193,174
<b>Sub-Total (Condom)</b>			<b>922,343,620</b>	<b>688,516,218</b>
Femicon (Cyc)	35,674,729	29.4	1,047,072,399	826,532,584
Norix (Cyc)	5,196,798	42.8	222,536,120	151,718,212
Noret-28 (Cyc)	3,358,181	20.0	67,136,388	73,139,873
Femipill (Cyc)	9,835,511	14.1	138,449,532	145,848,424
Mypill (Cyc)	24,196	76.3	1,847,120	2,540,632
Minicon (Cyc)	2,948,133	32.2	95,012,641	95,889,623
Smartpill (Cyc)	179	325.1	58,190	459,640
Ovacon Gold (Cyc)	20,803	51.3	1,067,868	2,789,498
<b>Sub-Total (Pill)</b>			<b>1,573,180,259</b>	<b>1,298,918,486</b>
Orsaline-N (Sachet)	1,483,022,815	4.8	7,141,414,753	5,858,481,152
SMC Fruity (Sachet)	136,854,211	4.7	637,891,793	230,433,061
Baby Diaper-all variants	5,514,333	159.9	881,812,474	461,939,995
Baby Wipes-all variants	44,926	71.8	3,225,012	3,893,100
Taste Me-all variants	133,975,981	8.7	1,165,015,625	730,324,474
Germ Kill (Hand Sanitizer)	74,320	60.8	4,518,506	12,047,478
Bolt-all variants	13,526,605	11.6	156,802,822	136,282,414

Brand name (Unit)	Quantity	Average selling price per unit	Amount in BDT	
			2022-2023	2021-2022
SMC Petroleum Jelly-all variants	1,051,103	21.0	22,094,830	16,349,182
Super Kid-all variants	3,427,013	7.8	26,617,426	14,488,188
SMC Honey-all variants	8,801	95.8	842,754	2,493,488
SMC Plus (Electrolyte Drink)	27,620,783	23.6	652,460,654	356,418,518
SMC Drinking Water-all variants	15,826	14.6	230,497	15,081,795
Joya (Pack)-all variants	36,675,587	45.7	1,675,435,557	1,391,660,376
Vermicid Tablet	11,585,700	2.7	31,281,390	17,439,840
MoniMix 1 mg (Sachet)	36,638,670	1.7	62,285,739	49,677,368
<b>Sub-Total (Consumer)</b>			<b>12,461,929,833</b>	<b>9,297,010,431</b>
Actifast Tablet~10mg	77,416	262.8	20,347,504	16,328,426
Aziday 20 ml PFS	71,565	77.4	5,541,823	5,651,998
Aziday 35 ml PFS	119,146	116.7	13,909,338	14,027,012
Aziday 500mg tablet	336,346	305.7	102,830,259	111,257,711
Cefimax 200mg Capsule	173,287	315.6	54,681,847	41,307,161
Cefimax 50 ml PFS	218,742	152.8	33,430,733	24,061,887
Ceframax 500 mg Capsule	76,497	314.0	24,020,008	16,165,376
Ciprodyl 500 mg Tablet	57,203	315.2	18,029,384	15,481,013
Dolwin Tablet~500mg	55,191	183.1	10,107,071	7,883,867
Esomium 20 Capsule	136,488	367.6	50,176,090	45,451,495
Esomium 40 Capsule	118,841	236.1	28,054,677	18,275,535
Ezepain 120 mg Tablet	53,797	209.4	11,263,308	7,175,232
Ezepain 90 mg Tablet	54,133	262.3	14,196,387	10,838,252
Ezevent 10 mg Tablet	160,637	312.3	50,172,184	47,363,138
Fenox Tablet~120mg	191,853	183.3	35,168,190	27,740,527
Flexidol Tablet~100mg	90,337	262.4	23,702,747	24,181,288
Forbon Tablet~500mg	37,295	130.0	4,847,760	4,904,480
Kofmelt Syrup	238,314	34.7	8,278,070	10,104,476

Brand name (Unit)	Quantity	Average selling price per unit	Amount in BDT	
			2022-2023	2021-2022
Pantoprox 20 mg	37,397	209.3	7,828,644	9,044,384
Paragesic-C Tablet~500mg & 65mg	51,841	217.4	11,272,167	14,415,761
Prazomax 20 Capsule	313,565	350.5	109,903,849	98,215,969
Prazomax 40 Capsule	150,746	157.0	23,660,370	15,766,434
SMC Zinc Syrup	308,367	30.4	9,365,918	10,214,111
Moticare 10mg	146,178	175.2	25,610,205	19,541,371
Nervaid 75mg Capsule	122	315.5	38,496	1,311,832
Neoclav 250 Tablet	175,111	314.5	55,069,309	29,561,534
Neoclav 500 Tablet	120,207	262.3	31,534,170	16,080,983
Nurowel Tablet	124,604	313.3	39,035,178	28,080,127
Seacoral D Tablet	209,764	470.4	98,665,542	76,098,957
Seacoral DX Tablet	142,426	314.0	44,725,925	24,243,768
Zifday Capsule	47,810	182.3	8,714,769	10,371,901
Secoxim 250 Tablet	65,699	209.4	13,760,174	6,346,004
Secoxim 500 Tablet	27,029	209.8	5,671,374	3,158,943
Fungicap 150 Capsule	19,013	347.1	6,599,736	-
Fungicap 50 Capsule	44,164	209.0	9,230,637	-
SMC Gold Tablet	64,224	249.2	16,003,453	-
Triforce Injection	5,519	151.7	837,176	-
Spadyl Tablet	63,091	218.0	13,756,125	11,943,419
Vomidyl Tablet	38,552	261.8	10,091,897	8,061,956
<b>Sub-Total (Pharma Products)</b>		-	<b>1,050,132,494</b>	<b>830,656,328</b>
<b>Grand Total</b>			<b>16,007,586,206</b>	<b>12,115,101,463</b>

# SUPPLEMENTARY INFORMATION









# SOCIAL MARKETING COMPANY COMPANY MEMBERS

## ATTENDANCE SLIP

I/We hereby record my/our attendance at the 35<sup>th</sup> Annual General Meeting being held on 28<sup>th</sup> December, 2023 at 11:00 a.m. at SMC Head Office, 33 Banani C/A, Dhaka-1213.

Name of Company Member(s)-----

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Signature(s) of Company Member(s)

**Note:**

1. Please note that the AGM can only be attended by the honorable Company 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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