

ANNUAL REPORT 2017



SMC
Live better

Annual Report

2017

(July 2016 - June 2017)

SOCIAL MARKETING COMPANY

SMC ENTERPRISE LTD



SMC
Live better



SMC Vision

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.

SMC Mission

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, families through social marketing of products and services in family planning, maternal and child health, nutrition and other socially beneficial areas.

SMC Enterprise Mission

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

Table of Contents

Introduction to SMC and SMC Enterprise.....	4
Major Milestones	5
Our Partners.....	6
Board of Directors, SMC & SMC Enterprise Ltd.....	7
Company Members, Social Marketing Company.....	10
Management Team.....	11
The Directors' Report - FY 2017	
Annual General Meeting - SMC & SMC EL	13
Chairman's Foreword to Directors' Report FY 2016-17.....	14
Message from Managing Director & CEO, SMC.....	17
Statement of Managing Director, SMC Enterprise Ltd.....	19
Overall Company Sales Achievement.....	21
Annual Sales Conference for FY 2017 Held.....	22
SMC Holding (Social Marketing Company)	
Performance Overview of the Program Division.....	24
Monitoring and Evaluation.....	32
Program Insights from Key Research Findings.....	34
Infrastructure Development Under the Engineering Division.....	36
MIS & IT Related Activities.....	37
Research Insights Related to SMC Enterprise Operations.....	38
Corporate Affairs.....	40
SMC Enterprise Ltd	
Sales Performance by Category and Brands.....	42
Product Development and Brand Communication Highlights.....	46
Manufacturing Operations	51
SMC Pharma Division.....	53
Auditor's Report	
Auditor's Report, Social Marketing Company.....	55
Auditor's Report, SMC Enterprise Ltd.....	61

SMC and SMC Enterprise Ltd - An Outline

Social Marketing Company (SMC), Bangladesh has successfully applied social marketing principles in providing health and social services in a number of areas such as family planning and reproductive health, diarrheal disease management, child health and nutrition, female hygiene, HIV/STI prevention, referral of suspected TB cases, etc. SMC was formed in 1974 as the Family Planning Social Marketing Project (FPSMP) with funding from USAID to contain the rapid population growth in Bangladesh by engaging the private sector. In 1990, FPSMP was converted into a private not-for-profit limited company with a voluntary board of directors.

In 2016, SMC was ranked as the second largest contraceptive social marketing program globally by DKT International, a Washington-based INGO. According to the Bangladesh Demographic and Health Survey (BDHS) 2014, one-third of all family planning users in the country use SMC-marketed contraceptive brands. Among them, 62.0% use SMC condoms, 44.0% use SMC pills and over 18.0% use SMC contraceptive injectables to meet their family planning contraception needs.

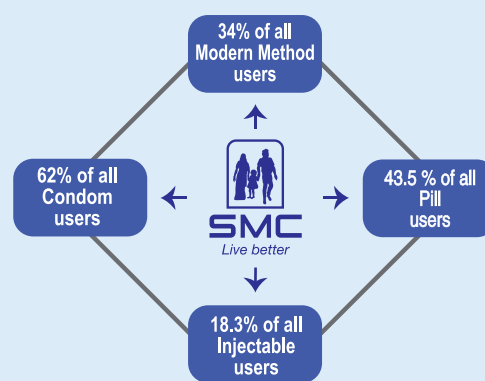
SMC is, the largest and the most successful partner of the Government of Bangladesh (GOB) in its effort to reduce population growth rate in the country. SMC is also the largest provider of Oral Rehydration Saline (ORS) with a market share of over 55%. Overall, it has made an enormous contribution to the progress made by Bangladesh in achieving the MDG 4 and 5 goals.

SMC formed a for-profit subsidiary company called SMC Enterprise Limited (SMC EL) in 2014 to separate its for-profit activities from its nonprofit activities to help strengthen a growing and complex operation. SMC Enterprise was created with the intent that profits earned by the company after taxes and retained earnings would be transferred back to the parent company SMC in the form of dividends so it could, along with donor funds, grow its program operations that are designed to improve people's lives in line with its organizational mission.

A number of major changes took place within the company with the creation of SMC Enterprise Ltd. The entire restructuring process was guided under the principle and spirit of: "One SMC - Two Companies" - one profit and the other nonprofit. Although operationally different, both companies would abide by the same rules, policies and values. Both companies would use common data and language so they would operate on the same frame of reference, having the same meaning to all. In order to maintain the common bond, the good management practices in one company would be shared with the other company and staff would be encouraged to move between the two companies for their career development. Finally, SMC Enterprise would be governed by a Board consisting of members from the SMC Board, thus ensuring consistency in purpose between the two companies and in overall governance matters.

SMC Enterprise manages its own core operations – marketing, distribution, manufacturing, services and support functions of supply chain, accounts and finance and human resource management. It would leverage some of the existing facilities that already exist within SMC under a common services agreement between the two companies. Services will be provided to Enterprise for a fee and will include Engineering support mostly in the areas of civil construction, MIS and IT, Research, Corporate Affairs, Management Development, and Business Process Risk Management & Compliance. This would save money for the Enterprise by avoiding duplication of effort since the Holding company will also need these services, and generate a source of income for SMC to help meet some of its operating expenditures. In addition to housing the common services units, SMC manages the activities of the Program division, which includes implementation of donor funded and SMC's own financed programs and the supporting services such as Finance, Accounts and IT by a separate division.

SMC's long journey from a project to a thriving social business enterprise and the SMC model of sustainability is being increasingly recognized globally as a success story that many organization and donors would like to follow.



Contribution to the National Program
Couples using SMC contraceptives

*BDHS, 2014

Major Milestones

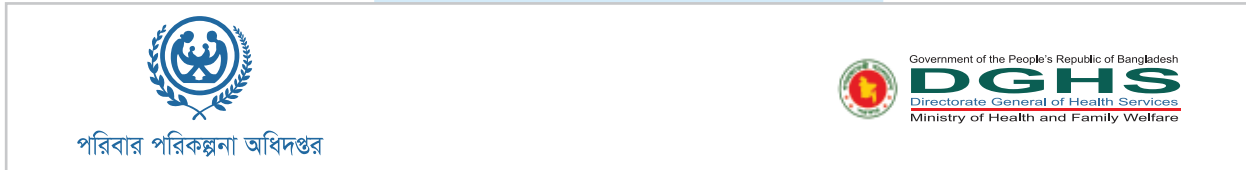
- 1974: Family Planning Social Marketing Project (FPSMP) began operation under a tripartite agreement among Government of Bangladesh (GOB), Population Services International (PSI) and USAID
- 1975: USAID-donated Raja condom and Maya contraceptive pill distribution started through private sector outlets
- 1985: FPSMP launched Oral Rehydration Salt (ORS) to address high diarrheal deaths due to dehydration
- 1990: FPSMP became Social Marketing Company (SMC), a private not-for-profit company under the Companies Act of 1913 with a voluntary Board
- 1997: SMC became a direct recipient of USAID funds with the departure of PSI
- 2000: Inaugurated Company's own headquarters building 'SMC Tower' in Banani, Dhaka
- 2004: ORS manufacturing facility starts operation in Bhaluka, Mymensingh
- 2008: Central Warehouse inaugurated in Bhaluka, Mymensingh
- 2012: Became fully sustainable recovering more than 100% of non-program related costs
- 2012: Awarded USAID-funded MIH Project through a competitive bidding
- 2014: Formed SMC Enterprise Ltd, a fully-owned for-profit subsidiary company
- 2015: Inaugurated Bogura Regional Office and Warehouse
- 2015: Started construction of Hygiene Plant in Cumilla
- 2016: Launched Marketing Innovations for Sustainable Health Development (MISHD) project awarded by USAID
- 2017: Production started at own Hygiene Products Factory, Cumilla



Our Partners

We gratefully acknowledge the contribution of all our development and strategic partners for supporting our work for the betterment of people's lives. We are particularly grateful to the MOHFW and USAID for their belief in the potential of social marketing and their support to SMC from the onset of our existence.

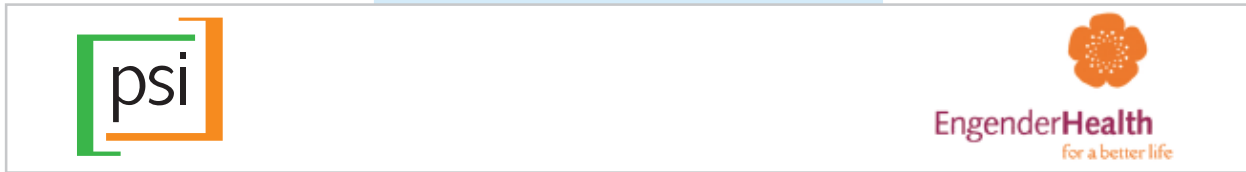
Government Partners



NGO Partners - MISHD Program



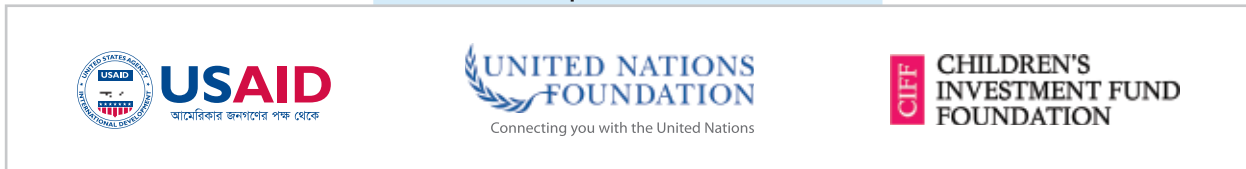
Knowledge and Training Partners



Other Partners



Development Partners



Manufacturing Partners



Board of Directors

Social Marketing Company & SMC Enterprise Ltd



Mr. Muhammed Ali

Chairman of the Board of Directors of SMC and SMC Enterprise Ltd

Former Secretary, Government of Bangladesh;
Former Chairman, Sonali Bank and Janata Bank



Mr. Md. Siddique Ullah

Director, SMC & SMC Enterprise Ltd

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



Ms. Rokeya Quader

Director, SMC

Chairperson, Desh Garments Limited



Ms. S. R. Ghuznavi

Director, SMC

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

Board of Directors

Social Marketing Company & SMC Enterprise Ltd



Mr. Siddiqur Rahman Choudhury

Director, SMC & SMC Enterprise Ltd

Former Finance Secretary, Government of Bangladesh;
Former Chairman, Agrani Bank and
Former Chairman, Sadharan Bima Corporation



Mr. A K M Shamsuddin

Director, SMC & SMC Enterprise Ltd

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 FICCI



Ms. Rupali H. Chowdhury

Director, SMC & SMC Enterprise Ltd

Managing Director, Berger Paints Bangladesh Ltd.;
Managing Director, Jenson & Nicholson (Bangladesh) Ltd.;
President, Foreign Investors' Chamber of Commerce & Industry



Mr. Waliul Islam

Director, SMC

Former Secretary, Statistics Division, Government of Bangladesh

Board of Directors

Social Marketing Company & SMC Enterprise Ltd



Dr. Yasmin H. Ahmed

Director, SMC

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



Mr. Ashfaq Rahman

Ex-Officio Director, SMC and Director, SMC EL

Managing Director & CEO, Social Marketing Company



Mr. Md. Ali Reza Khan

Ex-Officio Director, SMC and Ex-Officio Director, SMC EL

Managing Director, SMC Enterprise Ltd

Company Members

Social Marketing Company



Ms. Laila Rahman Kabir
Member

Managing Director,
Kedarpur Tea Company Ltd.



Ms. Niloufer Manzur
Member

Founder and Principal,
Sunbeams School



Mr. Dhiraj Kumar Nath
Member

Staff Consultant, Urban Health,
Bangladesh Resident Mission, Asian
Development Bank, Dhaka; Former
Secretary, Ministry of Local Govt.,
Rural Development and Cooperatives
(Rural Development and Cooperatives
Division), Government of
Bangladesh; Former Adviser,
Caretaker Government of Bangladesh



Dr. Jahir Uddin Ahmed
Member

Former Director-General, FPAB
(IPPF); Former Director, Directorate
General of Family Planning
(MOH&FW); Presently Interim
Chairperson, Department of
Midwifery and Nursing, BRAC
University



Mr. Aftab ul Islam FCA
Member

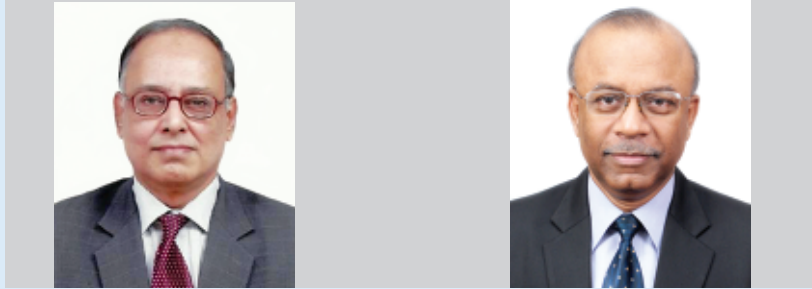
Chairman, IOE (Bangladesh)
Limited; Member, Board of
Governors, Bangladesh Bank;
Former Country Manager, NCR
Bangladesh; Former President,
Dhaka Chamber of Commerce &
Industry (DCCI); Former
President, American Chamber of
Commerce and Industry



Dr. Masud Ekramullah Khan
Member

An international corporate attorney,
M & A Lawyer at the Legal Circle;
Director, Amadeyr Cloud Limited

Management Team



Mr. Ashfaq Rahman
Managing Director & CEO
Social Marketing Company

Mr. Md. Ali Reza Khan
Managing Director
SMC Enterprise Ltd



Mr. Shafi Uddin Ahmed FCA
Secretary to the Board of Directors
of SMC and SMC EL & Chief of
Finance & Administration, SMC

Mr. Md. Feroze-UI Alam
Chief of Manufacturing and
Quality Assurance
SMC Enterprise Ltd

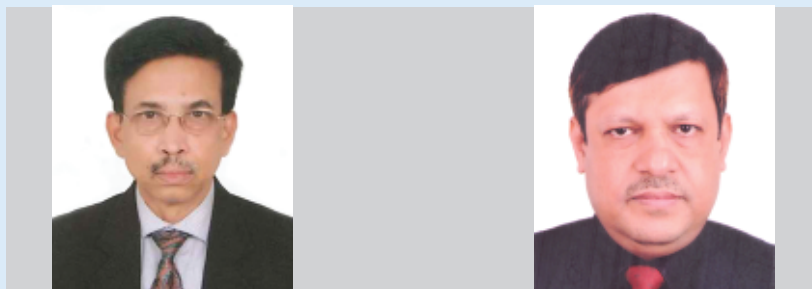
Mr. Sekander Hayat Khan
General Manager, Operations
SMC Enterprise Ltd



Mr. Toslim Uddin Khan
General Manager, Program
Social Marketing Company

Mr. Md. Mujibul Haque Khan
General Manager, Manufacturing
SMC Enterprise Ltd

Mr. Masum Ahmed Jaigirdar
General Manager, Engineering
Social Marketing Company



Mr. Sayedur Rahman
GM, Sales & Field Promotion
SMC Enterprise Ltd

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

The Directors' Report FY 2017



Annual General Meeting - SMC & SMC EL



Social Marketing Company (SMC) held its 29th Annual General Meeting (AGM) on March 29, 2018 at the Company Head Office in Dhaka. The AGM received, adopted and ratified the Directors' Report and Auditor's Report for the Financial Year 2016-2017 and appointed auditors for the Financial Year 2017-2018.

Mr. Siddiqur Rahman Choudhury, Chairman of the Board of Directors of SMC, presided over the meeting. Board Directors and Company Members, Managing Director & CEO of SMC, Mr. Md. Ali Reza Khan and Managing Director of SMC Enterprise Ltd, a subsidiary of SMC, Mr. Abdul Haque were also present in the meeting.



SMC Enterprise Limited held its 3rd Annual General Meeting (AGM) on March 29, 2018 at the Company Head Office in Dhaka. The AGM received, adopted and ratified the Directors' Report and Auditor's Report for the Financial Year 2016-2017 and appointed auditors for the Financial Year 2017-2018.

Mr. Siddiqur Rahman Choudhury, Chairman of the Board of Directors of SMC Enterprise Limited, presided over the meeting. Board Directors, Managing Director & CEO of SMC, Mr. Md. Ali Reza Khan and Managing Director of SMC Enterprise Ltd (SMC EL), Mr. Abdul Haque were also present in the meeting.

Chairman's Foreword to Directors' Report FY 2016-17

It gives me immense pleasure to present to the Board of SMC, the Directors' Report of the Company and the Auditor's Report for the Financial Year 2016-17, which corresponds to the period from July 1, 2016 to June 30, 2017.

During the year, the cumulative sales revenue achievement from the Enterprise and the Program division was Tk. 4,709.77 million, exceeding the target by 0.47% and reflecting a growth of 12% over the last year. Sales of condoms fell below the revenue target mainly due to availability of low quality Chinese brands on high margin to traders. Sales from contraceptive pills also fell below the target by 4%, mainly because of continuous stagnancy in overall growth for oral pills, especially for COCs. In contrast, ORSaline-N under the General Health and Nutrition product (GH&N) category recorded a significant achievement, compensating revenue loss from other categories. We sold more than 697 million ORS sachets, which went above the target by 5%. Joya continued to show a year on year growth by going beyond volume target by 19%. Overall, GH&N category, driven mostly by ORSaline-N, generated 68% of the total revenue, which also compensated for the significant revenue loss from the Program brands. Among all the brands under the Program division, Sayana Press and SOMA-JECT went above the target by 2% and 5% respectively.

Contraceptive sales during FY 2016-17 from both SMC Enterprise and the Program division under the Holding company protected 4.1 million couples from unwanted pregnancies (referred to as CYP or couple years of protection). 85% of CYPs were delivered by Enterprise contraceptive brands and 15% by Program contraceptive brands. Our efficient sales force reached over 284,495 pharma and non-pharma outlets during the year to make our brands available in both urban and rural areas of the country. On the demand side, we implemented consumer-insight based campaigns developed on an integrated marketing communication strategy to generate demand.



On the program implementation side, the year has seen commendable achievements in various functional areas. Under the broad functional area of Behavior Change Communication (BCC), the Program division marketed both own and donated products and launched consumer insight-based integrated communication campaigns. Using a mix of above the line and below the line media, the Program marketing team aimed to reach out to a wider audience, promote desired behavior change and trigger purchase. Community mobilization activities, one of the most effective BCC initiatives, helped to reach more than 2.5 million targeted people in the priority districts. These were carried out by the NGO partners under the USAID-funded Marketing Innovations for Sustainable Health Development (MISHD) project. Target groups received information and messages on contraceptive methods, birth spacing, safe delivery, pregnancy care, child health, nutrition, adolescent health and TB. Message delivery platforms included group meetings with beneficiaries, community sales agents (CSA), mobile film shows, school-based sessions and other activities.

In line with its mission, SMC is committed to improve the skills and knowledge of health service providers, which will ultimately lead to delivering improved services and counseling to women, children and families. Under the capacity building initiative, SMC continues to widen its network of health service providers and arranges training to enrich their service delivery capacity in partnership with its training partner under the MISHD project. The network includes both graduate providers (under the Long Acting and Reversible Contraceptives network - LARC) and non-graduate providers (Blue Star Providers and Private Community Health Providers - PCHP). In addition to training on administration of injectables, the provider groups receive correct information on FP and RH, use of ORS, Zinc and MNP, TB and other infectious diseases. In the reporting year, 1,035 providers were trained under the Blue Star network and 228 graduate providers received training under the LARC network. The number of trained providers under the LARC network increased to 1,084 across Bangladesh in the year. The number of providers under the Blue Star rose to 6,200 nationally. Blue Star providers referred over 49,000 suspected cases of TB to the Government and NGO clinic referral centers. More than 21,000 eligible couples were referred for long acting and permanent methods to service delivery centers. SMC provided training to 1,580 PCHPs under the capacity building program in the reporting year.

SMC has implemented a number of own and donor-funded projects. The largest project, MISHD, under a five-year cooperative agreement with USAID, aims to increase access to products and services in family planning including long acting methods, child health and nutrition, improve quality of services through the private sector and bring behavior change of target audiences. SMC is implementing this project in priority districts having partnered with several NGOs and INGOs. Under the Maternal, Infant and Young Child Nutrition (MIYCN) program, SMC is implementing the Demand Generation and Monitoring & Evaluation of Bangladesh Home Fortification Expansion Project. This is funded by the Children's Investment Fund Foundation (CIFF). Major partners in this project are GAIN, BRAC, Renata Limited and icddr,b. The project will help increase the effective use of home fortification powder. SMC is focusing on blending key messages on MNP including the consequences of anemia on children's health. With the financial support from the UN Foundation, SMC is implementing the Clean Household Air Pollution (CHAP) Project in partnership with Global Alliance for Clean Cookstoves (GACC). The objective of the project is to promote use of improved cookstoves and fuels (ICS & F) and save people from the health-harming smokes emitted by traditional cookstoves.

The pilot project undertaken in Korail Slum in May 2016 aimed to promote Long Acting and Permanent Method among slum dwellers, successfully ended in April 2017 opening another avenue to implement Phase II of the project.

The Company implemented several projects and initiatives during the reporting period under its common services provided by the Engineering division and MIS & IT department. Construction of facilities for pouch-filling of energy drink powder Dextrose at Bhaluka was completed. The year witnessed significant progress in civil works for 6-storied regional office and warehouse at Cumilla, also 8th to 12th line extension project in Bhaluka to increase ORS production capacity, sanitary napkin and diaper factory at Cumilla and others. Additionally, we have progressed on the construction work for SMC Tower 2 at Darussalam in Dhaka.

MIS & IT has undertaken a number of projects to provide a seamless internet service, promote access to centrally-operated software by the factory officials located outside Dhaka, set up networking and security devices in local offices, improve attendance and accounting system – all to bring operational efficiencies. The Holding

Company also provided research services to both SMC Enterprise and the Program division during the reporting period, insights from which have always been useful in tailoring initiatives to market realities.

During the last quarter of FY 2016-17, SMC EL launched the commercial production of Joya at our own hygiene product manufacturing plant at Cumilla. In addition, significant advancement had been made towards production of baby diaper, baby wipes and wet tissues at the same facility which are awaiting launch in the coming fiscal year. The year witnessed final preparations towards the soft launch of SMC Pharmaceuticals. Inspired by the slogan, 'Quality medicine for all,' countrywide distribution of the DGDA-approved pharmaceutical products in OTC and selective therapeutic class categories were fully made ready for distribution from July 2017.

Among the major CSR initiatives during FY 2016-17, we completed construction of the passenger shed for city bus commuters with drinking water and toilet facilities at a very busy location in Farmgate, Dhaka. This will be very useful for Dhaka city commuters, especially women, who suffer due to lack of usable toilets while commuting.

We are expanding every year, achieving more and dreaming bigger to further improve the health and wellbeing of women, children, families and the society. As we expand and grow further, challenges from competitors are necessitating us to focus more on building our competitive edge in all functional areas. We are preparing ourselves to face all challenges and feel confident that we shall be successful in every field where we are stepping in. SMC today is a successful social enterprise. We take pride in the fact that in 2016, SMC was ranked again as the second largest contraceptive social marketing program globally.

I sincerely appreciate the effort of everybody in the SMC family for working together and achieving commendable result every year, and wish all the best to everyone in the coming days.



Muhammed Ali

Chairman, Board of Directors
Social Marketing Company
SMC Enterprise Ltd

Message from Managing Director & CEO, SMC

I am delighted to be able to present this Statement for Social Marketing Company (SMC) for the Annual Report – 2017. As the Managing Director and CEO of the company, it is both an honor and privilege to lead a unique and growing social enterprise like SMC. This organization is not only committed to improving the health and wellbeing of the people of Bangladesh but also ensures that this mission can be sustained largely without donor funding using self-generated financial resources. This is what makes SMC unique and is a source of pride for its employees, partners and stakeholders.

The culmination of the Financial Year (FY) 2016-2017 for SMC shows that we are making tremendous achievements in all our efforts and are progressing rapidly towards building a promising future. The cumulative sales revenue achievement from the for-profit SMC Enterprise Limited and the Program Division of the SMC Holding company stood at Tk. 4,709.77 million, which was 0.47% over the target for the year.

This has also been a very successful year in terms of new projects and initiatives both under SMC Enterprise and the nonprofit Program Division under SMC Holding. The SMC pharmaceuticals division has been set up and gradually making inroads in this highly competitive market with its motto, quality medicine for all. The ORS plant in Bhaluka is going through significant expansion that will help reduce SMC's reliance on contract manufacturing and increase profitability of the brand ORSaline. New products such as the powder drink Taste Me, glucose powder Bolt, SMC baby diaper Smile and variants of the sanitary napkin Joya have been launched or in the process of being introduced. Many new and emerging opportunities are also opening for us. Thus, SMC Enterprise is faced with a very exciting future.



Significant progress took place in many of the SMC program activities which are managed under the Program Division. During the reporting year, SMC expanded the network of skilled and trained health service providers who provide long acting and reversible contraceptives (IUD and Implant) at affordable price to all socio economic groups through their private practice or clinics. The size of SMC Blue Star network of providers expanded to around 6,000 non-graduate medical practitioners (NGMPs) across the country who provide basic primary health care services to their catchment population. This network also includes private community-based health providers (PCHP), who are mostly drug sellers.

The Program Division reached another milestone when the United States Agency for International Development (USAID) awarded SMC a five-year project called the Marketing Innovations for Sustainable Health Development (MISHD) as a follow-on to the success of the earlier Marketing Innovation for Health (MIH) project which ended in July 2016. The project is a cooperative agreement under which USAID will provide both commodity assistance for selective family planning products and cash grant to support community mobilization activities, provider's capacity building and program marketing.

SMC's Corporate Social Responsibility (CSR) efforts included the continuation of construction of a passenger shed with public toilet and drinking water facilities in Farmgate, Dhaka in collaboration with Dhaka North City Corporation (DNCC). This will specially benefit women commuters, who suffer from inadequate toilet facilities while on the go. SMC also donated an ambulance to a private hospital in North Bengal which would benefit patients of the remote areas.

Ultimately, all our work is directed towards changing lives, and helping women, children and families achieve their full potential. We are driving for better health opportunities for all. This requires increased and renewed investments, a strong commitment to improve our sales and marketing network, accountability frameworks for leaders, and established responsibilities for all employees.

I am delighted to see that both the SMC Holding and SMC Enterprise are significantly stronger than they were in the previous year. SMC will continue to carry forward its activities by expanding into new areas which will contribute towards bringing social and economic well-being for the people of Bangladesh. Our commitment towards the model of "One SMC – Two Companies" will remain as the guiding light which will eventually take our organization to immense heights in the near future.

I would like to take this opportunity to thank the Chairman and members of the Board of Directors along with the Company Members for their guidance in taking SMC to its present position. I also would like to thank all employees of this organization and donors, particularly USAID, for supporting SMC to make it a shining example of a successful social enterprise.

In summary, I believe it has been a great year for SMC. We are satisfied with the continuing growth of our organization and are looking forward enthusiastically to the year ahead.



Ashfaq Rahman
Managing Director & CEO
Social Marketing Company

Statement of Managing Director, SMC Enterprise Ltd

In FY 2016-17, we witnessed remarkable achievements and progress in different segments of the Enterprise. SMC Enterprise Ltd earned a profit before tax of Tk. 710.16 million in the reporting period as compared to Tk. 659.94 million earned from its business operations in FY 2015-16 (annualized). After taxes, the company had a net profit earning of Tk. 442.58 million during the reporting period.

Total sales of the Enterprise exceeded the target by 1.4%, attaining a growth of 12% compared to that of the last year. Sales from condoms under the Consumer Product (CP) category and contraceptive pills under the Female Reproductive Health and Contraceptives (FRH&C) category fell below the target despite a significant progress on the recovery of shortfall of the previous year. Nevertheless, we are continuing our efforts to ensure that the targets are met and we achieve further growth. The revenue loss from these two segments was recouped by an excellent performance from the General Health and Nutrition Product (GH&N) category, driven mostly by ORSaline-N, which continued to save lives of children and adults from the prolonged and dehydrating summer heat during the last quarter of the fiscal year. In ORS sales, we achieved 5% above the target by selling more than 697 million sachets along with Joya which ensured a noteworthy contribution to the gross revenue of the company. It may be noted here that 68% of the cumulative revenue was earned from the GH&N category which compensated the revenue loss from some of the program brands.

Contraceptive sales during FY 2016-17 from both the SMC Enterprise and the Program division under the Holding Company protected 4.1 million couples from unwanted pregnancies (referred to as CYP or couple years of protection). 85% of CYPs were achieved by the Enterprise contraceptive brands and 15% by the Program contraceptive brands.



SMC brands were made available to consumers across the country by reaching to 284,495 pharma and non-pharma outlets through our efficient distribution system. The marketing team also implemented consumer-insight based campaigns developed on integrated marketing communication strategy to keep our brands on top - of - mind of the consumers.

During the reporting period, the Enterprise made significant advancements and achievements on various projects. In April 2017, we launched the commercial production of Joya at our own hygiene product manufacturing plant at Cumilla. In addition, a significant advancement had been made towards the production of baby diaper, baby wipes and wet tissues at the same facility which is awaiting for launching. We completed the construction of Dextrose Mono-hydrate pouch filling and sealing plant and made that ready for the likely launch of BOLT by the end of 2017 calendar year. Enterprise started commercial production of Taste Me and marketing of two variants (Gold and Black) of condoms under the brand name 'Amore' in a premium pack design, which is expected to be launched in FY 2017-18.

A remarkable progress had been made on setting up five more lines to increase ORS production capacity. This crucial decision of extension was taken on the backdrop of growing demand for ORS triggered by continued trust of consumers in our product based on consistent quality standard and efficient sales & marketing initiatives.

The year witnessed all final preparations towards the soft launch of SMC Pharmaceuticals. This will add a new chapter in SMC's journey – a step into a promising field which was not yet fully explored. Inspired by the slogan, 'Quality medicine for all,' countrywide distribution of the DGDA-approved pharmaceutical products in OTC and selective therapeutic class categories were made ready for distribution from July 2017.

Our continued diversification is constantly bringing challenges and giving us opportunities to learn from our experience. As we expand our horizon, we shall face new challenges. Therefore, it is the high time to focus on strengthening our competitive horizon on all avenues so that we continue to surpass others, keeping SMC's ethical standard and image holding high.

I thank all the members of SMC family for working hard, striving to level up all uneven footings and advancing SMC forward.



Md. Ali Reza Khan
Managing Director
SMC Enterprise Ltd

Overall Company Sales Achievement

SMC Enterprise markets 15 for-profit brands in multiple SKUs and several nonprofit brands under the Program division of the Holding company. Revenues from profitable brands under the Enterprise are referred to as Sales Revenue and those from nonprofit Program products as Program Income (PI). All brands sold by SMC fall into three different product categories, namely, Female Reproductive Health and Contraceptives (FRH&C), Consumer Products (CP), and General Health and Nutrition (GH&N).

FRH&C category includes oral contraceptive pills, injectables, IUD and Implant. During the 12-month reporting period, this category made a cumulative contribution of Tk. 1,113.92 million. CP category consists of condoms and contributed Tk. 387.54 million to the overall sales revenue and program income (PI) of SMC. GH&N products, primarily from sales of ORSaline-N, gave the largest revenue and PI contribution of Tk. 3,208.29 million. Total sales revenue and PI earned during the year was Tk. 4,709.76 million and achieved 100.47% of its FY 2016-17 target in spite of low sales of condoms and OCPs and this achievement is 12% higher than the previous year. Actual sales for the FRH&C category fell short of target by 4%. CP category was lower than target by 20%. In contrast, for GH&N category, actual revenue exceeded the target by 5.4%. The cumulative CYPs from all contraceptive products amounted to 4.10 m showing a shortfall of 7% (0.329 m) CYP than the annual target. Of these, 3.49 million CYPs were delivered by Enterprise contraceptives. Compared to FY 2015-16, OCP sales volume increased by 4.6%, the revenue increased by Tk. 74.12 million or 7.55%. Sales revenues from SMC Enterprise exceeded its target by about 1.4%. Table 1 shows the breakdown of revenues and CYPs against targets and product categories both for the for-profit Enterprise and for the nonprofit Program division.

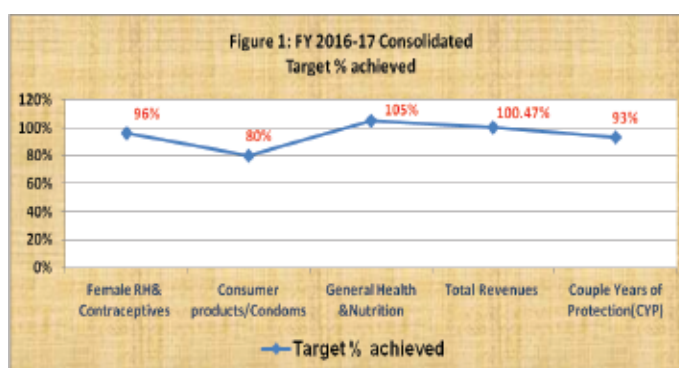


Table 1: FY 2016-17 Overall Sales Revenue Targets, Achievements and Growth

	Product Category	Revenue/PI (in BDT)		Target Achieved %	Achievement (2015-16)	Growth %
		Target	Achievement (2016-17)			
I	Female RH/Contraceptives					
A	SMC Enterprise sales revenue	1,103,100,000	1,055,991,712	96%	981,882,856	8%
B	SMC & Donated Program Income	54,781,000	57,936,895	106%	61,013,718	-5%
	Sub-Total	1,157,881,000	1,113,928,607	96%	1,042,896,574	7%
II	Consumer products/Condoms					
A	SMC Enterprise sales revenue	437,090,000	370,319,430	85%	372,732,853	-1%
B	SMC & Donated Program Income	49,400,000	17,219,301	35%	32,968,519	-48%
	Sub-Total	486,490,000	387,538,731	80%	405,701,372	-4%
III	General Health & Nutrition					
A	SMC Enterprise sales revenue	2,997,987,000	3,174,277,091	106%	2,728,265,200	16%
B	SMC & Donated Program Income	45,300,000	34,021,005	75%	41,075,990	-17%
	Sub-Total	3,043,287,000	3,208,298,096	105%	2,769,341,190	16%
IV	Total Revenues	4,687,658,000	4,709,765,434	100%	4,217,939,136	12%
A	*SMC Enterprise sales revenues	4,538,177,000	4,600,588,233	101%	4,082,880,910	13%
B	SMC & Donated Program Income	149,481,000	109,177,200	73%	135,058,226	-19%
V	Couple Years of Protection (CYP)					
A	From SMC Enterprise	3,682,500	3,488,568	95%	3,406,977	2%
B	From SMC & Donated Program	741,520	611,448	82%	820,151	-25%
	Total CYP	4,424,020	4,100,016	93%	4,227,127	-3%

*As per the Audit Report, total achievement is BDT 4,600,818,373 (including VAT). The revenue difference of BDT 230,141 arises due to excess collection from sales, i.e., cycle sales, institutional sales, etc.

Annual Sales Conference for FY 2017 Held



Social Marketing Company (SMC) and SMC Enterprise Ltd held the Annual Sales Conference for the Fiscal Year 2017 at Hotel Sonargaon in Dhaka on December 3, 2017. The conference showcased the sales performance of FY 2017 and recognized the sales team for their commendable contribution.

SMC today is a successful social enterprise and is recognized globally. It is now a major contributor to the Bangladesh national family planning program, providing contraceptives to more than one-third of all users. Through consistent quality, creative marketing and extensive distribution, SMC has established a leading position in ORS, pills, condoms, sanitary napkins and other product categories. SMC's ORSaline-N is saving lives of millions of children and adults by being available and accessible across Bangladesh. Mr. Waliul Islam, Director of the Board of Directors of SMC graced the occasion as the Chief Guest. Ms. Caroll Vasquez, Director, Office of Population, Health, Nutrition and Education (OPHNE), USAID-Bangladesh was present as the Special Guest. Managing Director and CEO of SMC Mr. Md. Ali Reza Khan and Managing Director of SMC Enterprise Ltd Mr. Abdul Haque were also present at the conference.

General Manager, Sales & Field Promotion, SMC EL, Mr. Sayedur Rahman presented 12-month performance of FY 2017. During the year, the company distributed 42.18 million cycles of oral contraceptive pills, 95.60 million condoms and 1.89 million vials of Injectables, protecting over 4.10 million couples in the country from having unplanned pregnancies. In addition, the company sold 697.35 million sachets of ORSaline-N, 14.03 million sachets of MoniMix micronutrient powder, 243,284 Zinc blister packs, 5.01 million packs of Joya sanitary napkins and around 55,684 Safe Delivery Kits. In comparison to the 12-month performance in FY 2016, the company's revenue grew impressively by around 12% from Tk. 4,688 million to Tk. 4,710 million in FY 2017, Mr. Rahman highlighted.

Among others, board directors and company members of SMC and SMC Enterprise Ltd and officials of SMC and SMC Enterprise Ltd were present at the occasion. The conference was followed by a cultural program and a dinner.

SMC HOLDING

(SOCIAL MARKETING COMPANY)

Activities and Performance

SMC Holding is a not-for-profit company and also the parent company of SMC Enterprise Ltd. It houses the Program division under which all donor-funded and nonprofit program activities are planned and implemented. In addition, it includes the Finance and Administration division and a number of departments and units that carries out the functions of common services of departments/divisions such as Engineering, MIS and IT, Research, Corporate Affairs and Internal Audit.





Courtyard meeting with rural women

Performance Overview of the Program Division

Program activities are broadly concentrated under three major areas: Behavior Change Communication (BCC), Training & Service Delivery, and Monitoring & Evaluation. The BCC activities include both community mobilization and mass and local media advertising. The Program and Health Network Marketing unit manages all marketing and communication activities that include both generic and brand specific messaging. They are also responsible for the marketing of donor-funded commodities and their distribution through the Enterprise consumer distribution system. The Training & Service Delivery activities include capacity building of private sector health providers both under the Blue Star network of non-graduate health providers, graduate providers delivering long acting and reversible contraceptives - IUD and Implants, and private community health providers or drug sellers. SMC's telephone counseling service 'Tele-Jiggasha' is also housed under this department.

Marketing Innovations for Sustainable Health Development (MISHD)

SMC's largest project, the Marketing Innovations for Sustainable Health Development (MISHD) is a five-year cooperative agreement with USAID which began on October 17, 2016. It aims to increase access to products and services in family planning including long acting methods, child health and nutrition, and bring positive behavior change as well as improve quality of services through the private sector. SMC has partnered with several NGOs and INGOs in the implementation of this project in 19 priority districts in the country.



A snapshot of SMC's various program activities

Behavior Change Communication (BCC)

Program and Health Network Marketing Unit

The Program division markets eight brands in seven product categories. Four of these are donated by USAID and others are procured from own sources or purchased locally. The division, in the reporting year, procured Pregnancy Test Device from the local market to test the feasibility of introducing this product through Community Sales Agents (CSAs) in the coming years.

Brand	Method/Product	Product Source
Raja	Condom	GOB revolving fund
SOMA-JECT	Contraceptive Injectable	USAID donation
Relax	CuT-IUD	USAID donation
i-plant	Implant	USAID donation
SAYANA PRESS	Injectable	USAID donation
MoniMix	Micronutrient powder	Own resource
SDK	Safe delivery kit	Own resource
Pregnancy Test Device (Not branded yet)	Pregnancy test device	Own resource

Sales Performance

In FY 2016-17, SMC protected 611,448 couples from unwanted pregnancies through contraceptives under the Program portfolio. This represents about 15% of all CYPs delivered by the organization during the year. Actual Program Income earned was 73% of target.

Table 2: FY 2016-2017 Targets and Achievements of Program Products

Brands	Target (Qty) (July '16 - July '17)	Achievement (Qty) (July '16 - July '17)	% of Target Achieved
Raja (pcs)	30,000,000	12,895,950	43%
MoniMix (sachets)	17,000,000	14,028,660	83%
SDK	120,000	55,684	46%
SOMA-JECT (vials)	1,720,000	1,806,680	105%
SAYANA PRESS (inj)	80,000	81,599	102%
Relax (pcs)	6,300	5,015	80%
i-plant (ampoules)	3,300	2,327	71%
Total CYP	741,520	611,448	82%
PI (in Tk.)	149,481,000	109,177,201	73%



Different products under SMC's Program Division



Community mobilization activity under the “Notun Din” program

Community Mobilization Activities

Community mobilization activities were implemented in 19 priority districts under the USAID-funded MISHD project by four implementing partners, namely, BRAC, Concerned Women for Family Development (CWFD), Shimantik and Population Services and Training Center (PSTC). Priority areas featured low contraceptive prevalence and relatively high infant mortality rates. Community mobilization activities aim to motivate beneficiaries to adopt and practice healthy behaviors for the wellbeing of self, family and the society. These activities are branded as Notun Din and include group sessions with married women of reproductive age (MWRA), caregivers of children under-5, community influentials and school-based information sessions with adolescent girls and boys. Important health messages are disseminated using audio-visual aids, focusing on healthy timing and spacing of pregnancy, pregnancy care, safe delivery, the first 1,000 days of a child birth, exclusive breastfeeding, immunization, micronutrient sprinkles, use of ORS and Zinc, contraceptive use, adolescent health and risky behavior and tuberculosis.

About 1.2 million MWRA were reached in the reporting year through the initiatives. School-based sessions delivered messages on health hazards associated with smoking, risky behavior and menstrual hygiene including use of sanitary napkins. More than 5,500 participants attended the advocacy meetings including government and elected representatives, political leaders, teachers, health and family planning workers, religious leaders, youth leaders and others. Field team in six mobile film vans under Notun Din disseminated health messages through an enter-educate format to over 599,000 people, particularly to those living in the hard-to-reach areas. Different TV commercials on SMC’s products and services were presented through mobile film shows to create awareness and induce trial.

The next table summarizes the number of people reached within various groups with targeted health messages.

Table 3 : FY 2016-17 Target Audience Reached with BCC Messages

Target Groups	Number
MWRAs	1,220,568
Caregivers of children under-5	641,118
Adolescents (girls and boys)	84,583
Community advocates	5,532
People reached through mobile film units	599,176
Newlyweds	520
Total BCC Contacts	2,551,497



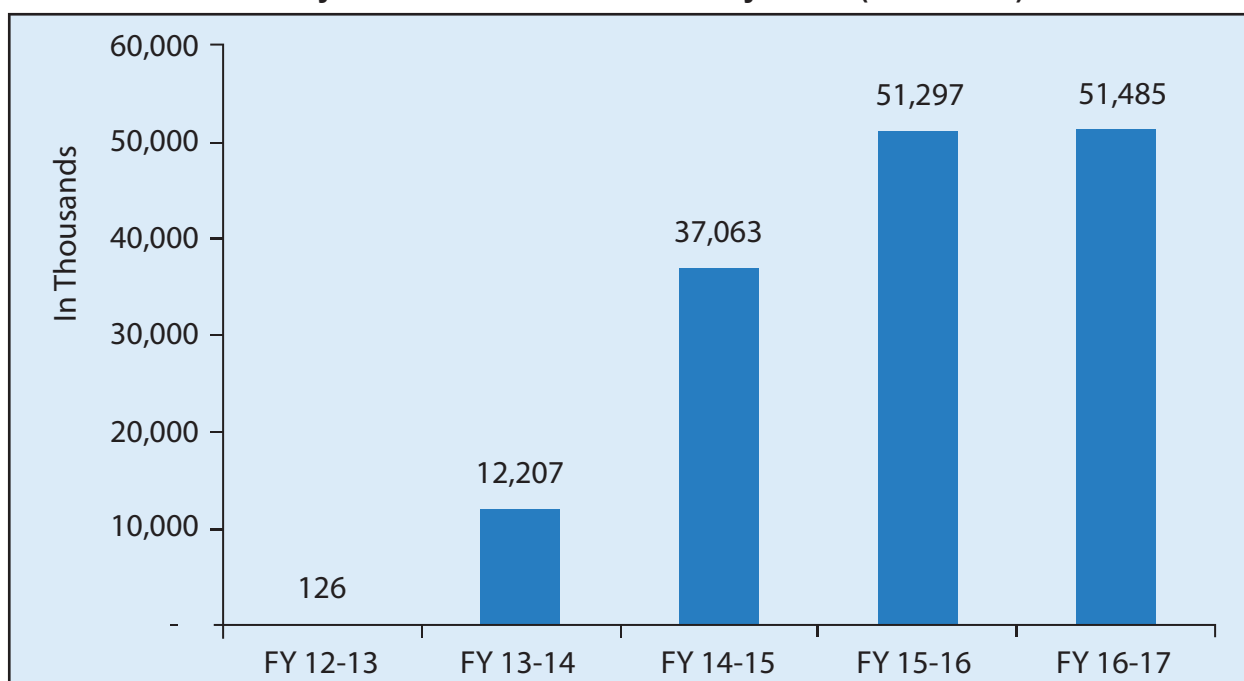


CSA selling Joya sanitary napkin and MoniMix to community women

Community Sales Agents

Community Sales Agents (CSAs) are voluntary saleswomen appointed by NGO partners in 12 out of 19 MISHD priority districts. They earn money from sales of SMC provided products and services in their catchment areas. CSAs provide public health information to the community within their defined catchment areas and earn a margin through sales of SMC's products. The women deliver health messages to promote behavior change and induce trial of SMC products and services. The aim of this initiative is to create and sustain a group of change agents within the communities who will exist beyond the life of the project independently without donor support. CSAs carry and sell SMC's ORSaline-N, micronutrient powder (MNP), condom, OCP, emergency contraceptive pill, Zinc, sanitary napkins and safe delivery kit. During FY 2016-17, 1,658 sales agents sold products worth Tk. 51,484,791. Other than CSAs, a number of BRAC Syasthosebikas are also selling SMC products along with their own products in 7 MISHD districts. The following graph shows yearly total sales revenue generated through CSAs under the Notun Din program.

Yearly Sales Revenue Generated by CSAs (in Tk. 000')





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www.smc-bd.org/index.php/doctor_list

ইমপ্ল্যান্ট



i-plant
ইমপ্ল্যান্ট
লিঙ্গনির্ভর ডাওয়া
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Sayana PRESS
ইনজেকশন
মিনিস্ট্রি ৩৩৭৭



Advertisement of SMC's long acting family planning methods

Mass Media Communication

To educate and sensitize the target audiences on key health priority issues and promote use of health products, the Program division implemented mass media campaigns throughout the year. Target Group insight based campaigns on long acting methods - Relax, i-plant, injectable SOMA-JECT, SDK and micronutrient MoniMix ran on radio, TV, press, billboard and other media outlets.

Training and Service Delivery

Major objective of the Program division is to ensure that customers served by health providers trained by SMC under the USAID funded MISHD project are fully satisfied with the quality of services they receive. These include customers of Depo Provera or Sayana Press injectables, referral or other services provided by SMC's Blue Star network of informal health providers, or OBGYN/general practitioners offering long acting IUD and Implant contraceptives, or simply pharmacy salesmen or drug sellers who continually interact with customers. To ensure progress towards its objective, the Training and Service Delivery department implements an extensive training program for the providers that include both basic and refresher training sessions and makes regular assessments of its impact.



Capacity building training for providers



Basic training of Blue Star providers

Training of Providers under SMC's Blue Star Network

SMC's Blue Star is a branded network of community-level non-graduate health service providers. The providers get an opportunity to receive special training on administration of injectables and other temporary contraceptive methods, and referral for TB as well as long acting and permanent contraceptives. Blue Star providers receive important information on ORS and diarrheal disease management, micronutrient powder and zinc. SMC's field representatives regularly visit them to supply products and provide information. In the reporting year, 1,035 providers were trained and included in the Blue Star network, expanding the number of network providers to 6,200 nationally.

Referral

During FY 2016-17, Blue Star providers referred over 49,000 suspected cases of TB to government and NGO clinic referral centers. More than 21,000 eligible couples were referred for long acting and permanent methods to service delivery centers.



Blue Star providers in action



LARC promotional workshop with graduate providers

Graduate Providers offering Long Acting and Reversible Contraceptives (LARC)

The LARC network includes graduate doctors, most of who are female and have received focused training on IUD, implant, and injectables. SMC conducts these training through its training partner EngenderHealth. In FY 2016-17, a total of 228 graduate providers received basic and refresher training. The number of trained graduate providers under the network rose to 1,084. In coordination with the Obstetrical and Gynecological Society of Bangladesh (OGSB), SMC also organized several advocacy meetings to review program performance, share best practices and discuss way forward. The workshops were attended by the representatives from OGSB, USAID, CCSDP/DGFP and local FP officials. OGSB organized three regional planning and advocacy workshops with its members in Dhaka, Rajshahi and Sylhet with SMC's active support during the year.



Workshop for LARC providers



Training session for Private Community Health Providers

Private Community Health Providers (PCHP)

Private Community Health Providers (PCHP) are generally considered as drug sellers or pharmacy salesmen. Most of the families living in the semi urban and rural areas are usually the primary contact points by the visiting customers to receive advice on minor ailments such as diarrhea, cough and fevers. Unfortunately, most of them lack proper knowledge and training in this area. Therefore, improvement of their knowledge is very important to promote proper counseling and advice. SMC trains these informal groups of health service providers under the capacity building program. In FY 2016-17, SMC provided basic training to 1,580 PCHPs across the country.

Tele-Jiggasha (Telephone Counseling Service)

Tele-Jiggasha is a telephone counseling service provided by SMC, which is delivered from the Program division in the head office. Female and male counselors respond to questions on several sensitive topics like family planning and contraceptive methods, side effects, sexually transmitted diseases, HIV/AIDS, unwanted pregnancies, adolescent health problems, and infectious diseases like TB. More than 2,700 calls were received at the center during the year and 18% of the callers were female. The service is open to all from 9 am to 5 pm during weekdays.



Tele-Jiggasha counselors

Monitoring and Evaluation

Monitoring and Evaluation is responsible for the development and execution of the Project Performance Monitoring Plan and makes an integral component of Program activities. This ensures compliance with policies and guidelines, maintenance of quality, improved validity, and accuracy of reporting, etc. Head office and field-based program staff are responsible for regular monitoring of activities and taking corrective measures as and when necessary.

Field-based Monitoring Activities

Under MISHD, SMC has deployed Deputy Field Program Managers (DFPM) to strengthen monitoring and supervision effort and to oversee day-to-day program implementation. They monitor field-level activities related to Community Mobilization, MFP, Blue Star, LARC and PCHP program and provide feedback to respective managers to improve the situation. During the reporting period, four DFPMs visited 1,035 Blue Star providers, 218 LARC providers and 241 PCHP outlets to observe their performance, record keeping and interactions with respective field staff. Under the community mobilization program, they attended 7 sessions with adolescents, 25 sessions with MWRA and caregivers, 28 MFP shows and 3 advocacy meetings. They also attended 123 staff meetings of area offices and 36 CSA monthly meetings. Besides, Head Office team members of field operations visited 93 BSP, 7 PCHP and 7 LARC outlets during the period.

Program Officers-Training and Service Delivery (PO-TSD) were responsible to visit all active Blue Star providers in their respective areas with a checklist to monitor compliance. They monitored the conditions of logistics such as BSP signboard, availability of injectables, MNP, record keeping, assessing quality of services and monthly performance reporting. During the reporting period, POs-TSDs visited 30,720 Blue Star providers (which included multiple visits) as part of routine monitoring process. They also assessed knowledge of these providers on various subject matters and accordingly provided on-site technical assistance to improve their skills.

Field Coordinators, LARC are located at regional offices, assisted by PO-TSD and supervised by DFPM. They are the key personnel to manage and support doctors in their assigned areas. In the reporting period, they visited LARC outlets with a quality audit checklist. One of their responsibilities was to find out provider specific barriers and provide meaningful solution to make the provider active. POs-TSD visited 3,251 LARC outlets (multiple visits) and FCs-LARC visited 1,269 outlets (multiple visits) to monitor the program activities and reviewed stock status of Relax, i-plant, SOMA-JECT and Sayana Press, as well as to ensure smooth implementation of the activities. Other LARC team members visited 87 LARC outlets during this year. Besides, Technical Officers also conducted 90 quality assurance and follow up visits to doctors for building their skills and confidence.

Program Officers-Community Mobilization located at SMC area offices work with community mobilization partners to implement the program. They coordinate the mobilization activities, give promotional support, monitor the program implementation and validate performance output report of the partners. During the period, Program Officers-Community Mobilization attended 137 meetings of MWRAs and 19 adolescent sessions. They also made 309 household visits with CSAs and attended 127 meetings with CSAs. Relevant program staff from SMC head office conducted 156 field visits to monitor program related activities. In addition to SMC staff, project staff of four partner NGOs located at their central offices conducted over 700 monitoring and supervision field visits.

PCHP team members from respective regional offices visited PCHP outlets to monitor the availability of injectables and MNP, record keeping, assess quality of services and monthly performance report as well as overall compliance level of providers and outlets. As a part of regular monitoring activities, the team members of two PCHP teams visited 595 PCHP outlets to monitor their activities. In addition, they also discussed about FP compliance related issues.

POs-TSD are responsible to ensure regular monitoring and backup supply of PCHP providers as required as well as supply and distribute BCC materials as per requirement of the program. They visit PCHPs to monitor and track the administration record of injectables as well as ensure back up supply to evade stock out situation. They visited 1,641 PCHP outlets during the period. Staff of partner NGOs under the MIH project made over 1,100 monitoring and supervisory visits.

Data Quality Assessment (DQA)

In consultation with USAID, SMC ensured routine data quality audit and compliance with US government policies on family planning and other services. SMC head office and field office staff visited MISHD upazilas to conduct DQA of community mobilization activities during the period. 28 DQAs were conducted by head office and field level office staff during this period. The DQA team collected and recorded information of group educational sessions conducted with MWRA, caregivers and newlyweds under the community mobilization activities from district offices of partner NGOs. In order to ensure the validity and reliability of the data, the team verified the data collected from the office at village and household level and took appropriate measures on the findings of DQAs.

Other Projects

Maternal, Infant and Young Child Nutrition (MIYCN) Program

The Demand Generation and Monitoring & Evaluation of Bangladesh Home Fortification Expansion Project is a three-year project funded by Children's Investment Fund Foundation (CIFF), where SMC has partnered with GAIN, BRAC, Renata Limited and icddr,b to help increase the effective use of home fortification powder. SMC is helping to harmonize key messages on MNP including the consequences of anemia on children's health. Phase II of the program started from December 2015 and will continue until June 2017. Phase II of the program has been extended up to June 2018.

BCC campaign for LAPM services among MWRA in Korail Slum

According to the Bangladesh Demographic Health Survey (BDHS) 2014, contraceptive prevalence rate (CPR) is 62.4 percent and share of modern method is 54 percent. However, the use of long acting and permanent method (LAPM) remains very low among the urban slum population compared to the national use. Therefore, SMC management decided to launch a pilot program at Korail Slum of Dhaka City with the aim to increase knowledge and utilization of Long Acting and Permanent Method (LAPM) among targeted couples. This project started in May 2016 and ended in April 2017. The achievement was quite satisfactory, leading to the undertaking of Phase II.

Clean Household Air Pollution (CHAP) Project

There are more than 30 million households in Bangladesh and over 90% depend on biomass fuels for cooking. When used in traditional cookstoves and open fires, biomass fuels emit harmful smoke that contributes to heightened levels of indoor air pollution associated with a range of illnesses and health conditions. Clean Household Air Pollution (CHAP) Project, in this context, aims to increase adoption (purchase, correct and consistent use) of cleaner and more efficient cookstoves and fuels. This two-year project started in July 2016. SMC is implementing household level activities to increase awareness about the benefits, options and supply channels of improved cookstoves and fuel (ICS&F). The project is being implemented in 16 sub-districts of Dhaka and Barisal Divisions to create an enabling environment and support the target audience to shift from traditional cookstoves to ICS.



Program Insights from Key Research Findings

During FY 2016-17, SMC has undertaken a number of research projects to understand effects of its Program activities, sales and marketing initiatives, new product feasibility and other consumer-based studies. These findings are very important in attuning current interventions as well as plan future interventions tailored to market realities and other external factors. The major research projects undertaken during the period are summarized below:

Availability study of SMC and its competitors' products

The prime objective of the study was to assess product availability and visibility status of SMC and its competitors all over the country.

- A total of 40 brands of OCP including SMC brands were available in the market during the survey. Findings show that 94% of pharma outlets had at least one SMC brand.
- Study found 265 brands of condom including SMC in the market. Only five per cent of pharma and 69% of non-pharma outlets did not sell any brands of condom.
- Study found 106 available brands of ORS in the market during the survey with ORSaline-N being available at 98% of pharma and 68% of non-pharma outlets. Tasty Saline from Universal was available at 57% of pharma and 70% of non-pharma outlets.
- Fifty one percent of pharma outlets sell micronutrient powder. MoniMix was found to be available at 38% of pharma outlets and competitor's brand 'Pushtikona' was found at 11% of pharma outlets.
- Overall 18% of pharma had injectables. SOMA-JECT was the most available brand (15%) followed by Sayana Press (5%). Mostly, BSPs were administering injectables.
- There were 84 available brands of sanitary napkin in the market. Overall, 81% of pharma and 19% of non-pharma outlets were found selling sanitary napkins during the survey. Senora Belt was the most available brand (62%) followed by Senora Panty (58%), Joya Belt (53%) and Joya Wing (46%) at pharma outlets.

Post launch study on Sayana Press in Bangladesh

The major purpose of the study was to understand the perception of providers and consumers about Sayana Press injectables brands.

- Majority of the clients were found to be satisfied with the use of Sayana Press.
- Providers played the key role in creating demand for Sayana Press among potential users.
- Majority users of Sayana Press shifted from OCP and injectables and only 10% women belonged to the non-user group of FPM.
- Users preferred Sayana Press primarily due to less hassle, less side-effects, less pain, small needle, less time in and ease of administration
- Non-users do not use Sayana Press because of current method suits the body well, price is high or due to lack of awareness.
- Average number of Sayana Press administration per month by a BSP was 6.4 vials and SOMA-JECT was 32 vials.
- About 95% BSPs were satisfied with administering Sayana Press.
- Providers suggested local demand generating activities to promote the brand.

Endline Study among the MWRA of Korail Slum

The main objective of the endline study was to assess the changes of knowledge, attitude and practice of MWRA related to LAPM.

- Overall awareness about LAPM increased significantly among the potential respondents.
- Thirty nine percent of potential respondents, who participated in the BCC activities, accepted LARC.
- Nineteen percent of potential respondents, who participated in the BCC activities, accepted PM.

Post evaluation of MoniMix TVC

The main objective of the study was to examine the effectiveness of the TVC and understand its acceptability among the MWRA and their spouse, who have children of 6-59 months.

- Around two-thirds of the females and half of the males had heard about MoniMix. Of them, around one-third tried it.
- Major reasons for not trying or not currently using MoniMix were (including both male and female):
 - ◆ Did not feel the necessity (49%)
 - ◆ Did not know about the benefits of feeding micronutrient powder (21%)
- All female and male respondents were regular TV viewers. RTV, Channel I, BTV, NTV and ATN Bangla were the 5 most-watched TV channels.
- Who were aware of MoniMix, of them 15% male and 35% female had watched TVC on MoniMix in the last 2 months.

Contraceptive Knowledge and Information Study among the MWRA

The objective of the study was to understand the knowledge, attitude, practice and perceptions of couples regarding contraceptives.

- The research team worked on data collection instrument preparation during the reporting period.

Consumer Panel Audit Study

The key objective of the study was to understand the usage patterns of SMC products, level of satisfaction, brand and method continuity, switching patterns, reasons for discontinuation and for not using SMC products.

- The findings of the study will be available in the next fiscal year.





SMC Factory Complex, Bhaluka, Mymensingh

Infrastructure development under the Engineering Division

Since restructuring, SMC Enterprise Ltd has made massive investments in infrastructure development in order to grow through expansion, diversification and improve management through decentralization. The Engineering Division housed under SMC Holding provides technical support on all matters related to civil construction to both SMC and SMC EL.

The following major activities were successfully executed by the Engineering Division during FY 2016-17:

- **Pharmaceutical Manufacturing Facility:** Seven International Turnkey contractors had been short listed by floating an EOI (Expression of Interest). Tender document preparation was completed to distribute among the short listed turnkey contractors.
- **ORS factory boundary wall:** Construction of boundary wall along with barbed wire and observation post around the factory premises was completed.
- **Construction of a 3-storied building for expansion of canteen, change room, toilet and other facilities at Bhaluka:** Approximately 50% construction of the total floor area was completed. Provision of modern canteen facilities, change room and other facilities were included in the building.
- **Extension of 8th to 12th lines to increase ORS production capacity:** SMC Board decided to increase ORS production capacity to another 400 million sachets by constructing facilities for additional five ORS production lines. Subsequently, civil construction of 60% of total floor area was completed. Pre-fabricated steel design and erection of plant room was completed. Contractor selection for the fire fighting system, HVAC system and cargo lift supply was completed.
- **8th to 12th lines extended area of ORS expansion project:** To accommodate pre-processing activities of ORS expansion, the SMC management decided to construct a new production building. Following the decision, contractor selection was completed through bidding process. Structural and architectural drawing were completed for the construction work. Soil excavation and footing casting were completed.
- **Construction of Dextrose Plant at Bhaluka:** All civil works for the Dextrose Plant were completed. Installation of two cargo lifts were completed. The plant became ready to go into production.
- **1,250 KVA sub-station at Bhaluka:** Contractor selection was completed through bidding process. Equipment manufacturing and necessary civil works were completed.
- **Sanitary Napkin and Diaper Factory at Cumilla:** Construction of 45,000 sq.ft. production floor and raw material warehouse were completed. Construction of 2-storied 1,600 KVA sub-station building was completed. Installation of three generators (total 1,400 KVA), 1,600 KVA sub-station, fire fighting system and water treatment plant were done. Production already started at Belt and Winged sanitary napkin machines.

- **6-storied regional office and regional warehouse at Cumilla:** Construction up to 4th floor of the Cumilla regional office was completed. Provision of modern fire fighting system and one passenger lift was included in the building. Construction of 12,000 sq-ft prefabricated steel warehouse and related civil works was completed. Warehouse was made operational by installing 9-tier modern pallet-racking system and reach truck operation.

MIS & IT Related Activities

Under the vendor agreement between SMC Enterprise and SMC Holding, MIS & IT services would remain within the Holding company but would provide service to the entire organization on a full-time basis. Services to Enterprise would be charged as per the terms of the agreement. During FY 2017, the following major activities were successfully implemented to support MIS & IT based activities across the organization:

- Started the piloting of the e-Sales System for the Consumer Sales operation.
- A new project was undertaken to develop a software application on Pharma and Program operations to automate field activities.
- Completed all basic MIS & IT works at the Hygiene Factory successfully by setting up Networking, CCTV and installation of other IT products.
- Implemented three training sessions for various employees under SMC and SMC EL.
- Implemented two training sessions on MS-Excel 2007 in Bogura and Dhaka for the employees under SMC and SMC EL.
- Established radio link connection in Head Office to ensure uninterrupted internet and e-mail connection backup service.
- Established a dedicated network connectivity between HO and Cumilla Health & Hygiene Factory, which allowed access to the centrally-based software to raise indents from the local factory.
- A revised and updated version of the accounting software was installed.
- Developed a web based Attendance System, integrating the Employee Leave and SMC's corporate web portal.
- Installed an attendance system in Cumilla Health & Hygiene Factory and ORS Factory.
- A comprehensive review was implemented to arrive at suitable data network connectivity by visiting various locations across the country.
- Developed a presentation on the ERP project and shared with the senior management
- Installed CCTVs in all sales offices, Hygiene Factory and ORS Factory, Bhaluka.



Research Insights Related to SMC Enterprise Operations

Research and development is a common services department located within SMC Holding but conducts research and analysis for both SMC and SMC Enterprise. Every year, SMC undertakes a number of research initiatives to assess impact of its Program, Sales and Marketing initiatives, conduct product feasibility and generate consumer insights. It utilizes primary research data to help attune current interventions and design future interventions tailored to market realities, other external factors and internal capabilities. During FY 2016-17, SMC undertook a number of research projects to understand effects of its Program activities, sales and marketing initiatives, conduct new product feasibility and other consumer-based studies. These findings are very important in attuning current interventions as well as plan future interventions tailored to market realities and other external factors. Following are some of the major research projects activities undertaken by SMC for SMC Enterprise during FY 2017 and their key findings:

Availability Study of SMC and its competitors' products

The prime objective of the study was to assess product availability and visibility status of SMC and its competitors' brands all over the country.

- A total of 40 brands of OCP including SMC brands were available in the market during the survey. 94% of pharma outlets had at least one SMC brand.
- 265 brands of condom including SMC brands were found in the market. Only five per cent of pharma and 69% of non-pharma outlets did not sell any brands of condom.
- Study found 106 available brands of ORS in the market during the survey with ORSaline-N being available at 98% of pharma and 68% of non-pharma outlets. Prime competitor brand was available at 57% of pharma and 70% of non-pharma outlets.
- 51% of pharma outlets sell micronutrient powder. MoniMix was found available at 38% of pharma outlets and competition brand was found at 11% of pharma outlets.
- Overall 18% of pharma had injectables. SOMA-JECT was the most available brand (15%) followed by Sayana Press (5%). Mostly, BSPs were administering injectables.
- There were 84 available brands of sanitary napkin in the market. Overall, 81% of pharma and 19% of non-pharma outlets were found selling sanitary napkins during the survey. Joya was second most available brand at both pharma and non-pharma outlets.

Brand name pretesting of SMC's upcoming baby diaper and baby wipes

The prime objective of the study was to pretest brand names for the upcoming baby diaper and baby wipes and finalize one name for each.

- Among 149 buyers of baby diaper, 36.9% mentioned Huggies as their currently purchased baby diaper brand followed by Chu Chu (20.1%), Pampers (15.4%) and Molfix (5.4%).
- About 75% mentioned good quality as their reason for purchasing the brand. Good size, right fit and low price were mentioned by 24.2% respondents as reasons for purchase. Easy availability was mentioned by 4% respondents.
- Among 268 respondents, "Happy Baby" was mentioned as their most preferred name by 33.22% followed by Mother Love (25.75%), My Baby (15.67%) and Little Star (8.21%).

Pretesting a TVC on Femipil (animated version) with Sukhi users

The main objective of the study was to pretest the understandability of the animated TVC message and acceptability of the content.

- After watching the animated TVC on Femipil, almost every respondent mentioned that they did not find any objectionable element in the animated TVC.
- About 98% respondents perceived that after watching the TVC, married women would be interested to use it.
- About 94% respondents could mention that the TVC was on Femipil and about 87% respondents could mention that the product was from SMC house.

Pack design pretesting of SMC's Dextrose Powder 'Bolt'

The main objective of the pretesting was to find out the most preferred pack design from four different design options for SMC's Dextrose powder "Bolt."

- Pack design 4 was preferred by all respondents.
- Irrespective of category of respondents, no one did find any objectionable element in their preferred pack design.
- Irrespective of category of respondents, 95.2% could read the brand name properly by looking at the pack design.
- About 91% respondents mentioned that the brand name was closely associated with the product.

Pack design pretesting of proposed Instant Drink Powder

The main objective of the pretesting was to find out the most preferred pack design from three different design options for the proposed Instant Drink Powder.

- In terms of design preference, design 1 got the highest preference (47.4%) followed by design 2 (32%).
- Majority of the respondents preferred design 1 because of its white background and splash.
- Among the respondents who preferred design 1, about 90% also preferred the design for pomegranate flavor.
- Majority of the respondents mentioned that no further change was required on the designs.
- Nine out of ten respondents mentioned that they did find any objectionable element in their preferred pack design.

Post evaluation of TV campaign on Mypill

The study examined the impact of a new TVC on newly launched Mypill among the MWRA and their husbands.

- Among 390 female respondents and 85 husbands, 26.4% female and 12.9% male mentioned that they had watched the TVC on Mypill.
- Among the respondents, who watched the TVC, 24.3% female and 18.2% male could recall at least one message from the TVC.
- Among the respondents who could recall at least one message from the TVC correctly.
 - ◆ Majority liked the TVC as a whole.
 - ◆ 50% could not mention the TV channel name on which they watched the TVC.
 - ◆ About 17% could mention that the TVC was from SMC house.

Post evaluation of TVC on MoniMix

The prime objective of the study was to examine the acceptability of the TVC on MoniMix and its effects among the Married Women of Reproductive Age (MWRA), who have children of 6-59 months, caregivers of children (6-59 months) and their husbands.

- Among 710 female and 103 male respondents, 64.4% female and 49.5% male respondents mentioned that they have heard about MoniMix
- Among the respondents, who are aware of MoniMix, 29.4% male and 35.2% female respondents mentioned that they have watched TVC on MoniMix in last 2 months
- Among the respondents who have watched the TVC
 - ◆ Majority mentioned that they liked every elements in the TVC
 - ◆ Cent percent mentioned that they couldn't find any objectionable element in the TVC
- Among the respondents, who could recall at least 1 message correctly
 - ◆ Almost half of them could mention that the Monimix is marketed by SMC

Consumer Panel Audit Study

The key objective of the study was to understand the usage patterns of SMC products, level of satisfaction, brand and method continuity, switching patterns, reasons for discontinuation and for not using SMC products. The results of this study will be available in the next financial year.



Handing over ceremony of ambulance under Corporate Social Responsibility (CSR)

Corporate Affairs

Corporate Affairs is a common services department that is housed under the SMC Holding. Corporate Affairs under SMC manages communication with a range of internal and external audiences including media, agencies, government, CSR partners in the private as well as public sectors, the community, investors and employees in different divisions under SMC and SMC Enterprise Ltd. The department aims to bridge between the company and its stakeholders and disseminate messages in a coherent and credible way. It brings out a number of publications and complimentary items that integrate various activities under the Holding and the Enterprise. Through corporate advertising, it promotes the profile of the company and attempts at minimizing any discrepancies between its values and brand voices. It plays an important role in creating favorable image for the company by being present strongly in the media, identifying areas under its CSR initiatives where the company can contribute more by improving the environment, enhancing quality of lives and reducing human suffering.

As a good and committed corporate citizen, SMC identifies and contributes to the areas that would be beneficial for the society and the country. In continuation of its noble initiatives, SMC completed construction of a passenger shed with toilet and drinking water facility at Farmgate, Dhaka in the reporting year. This has been constructed in partnership with the Dhaka North City Corporation. City commuters, especially women, who suffer a lot due to lack of usable toilets while on the go, will find this facility very useful. Other CSR contributions that SMC made include:

- Donated an ambulance to Tasor Uddin Hospital, Nilphamari.
- Sponsored printing of books for Professor M. Harunur Rashid, former President of the Bangla Academy.
- Sponsored CCTV cameras for installation on Mymensingh road by the Police Super, Mymensingh, Bagan Tohbil.
- Donated ORS sachets for the Rohingya refugees at Cox's Bazar.
- Donated money to Purba Dattapara Jame Masjid in Narsingdi for its development.
- Contributed to plantation.

SMC ENTERPRISE LTD

Activities and Performance

SMC Enterprise Limited (SMC EL) was formed in 2014 as a for-profit subsidiary of SMC to separate profitable activities from nonprofit to help effectively manage a growing and complex operation which could no longer function smoothly under a single unit. It markets a full range of family planning products, ORS (Oral Rehydration Salts) and has diversified into food, nutrition, reproductive health and female hygiene.



Sales Performance by Category and Brands

Female Reproductive Health & Contraceptive Portfolio

The Female Reproductive Health & Contraceptive portfolio within SMC Enterprise has 7 branded oral contraceptive pills (OCPs) in 3 major sub categories. They include 5 combined oral contraceptive pills (COCs), a progestin only pill (POP) and an emergency contraceptive pill (ECP). Total volume achievement under this category in FY 2016-17 was 42.18 million cycles. This fell below the target by 3%. Revenue earned from the sales of OCPs amounted to Tk. 1,056 million, which was 4% less than the revenue target. These protected around 2.8 million couples from unplanned pregnancies (CYPs) in the year. The major volume and revenue driver, Femicon, among all the pills, registered a significant achievement of 2% over target despite an overall slow growth in the OCP market. The following table summarizes OCP target versus achievement in FY 2017.

Table 4: Targets and Achievements: FY 2016-17 FRH&C category (In cycles)

Brand	Target	Actual	Target % Achieved
Femicon	25,000,000	25,540,108	102%
Minicon	2,700,000	2,253,903	83%
Femipil	10,000,000	9,631,427	96%
Noret-28	4,000,000	3,541,698	89%
Ovacon Gold	500,000	356,560	71%
Mypill	400,000	82,391	21%
Norix	950,000	777,606	82%
Total OCP (Cycle)	43,550,000	42,183,696	97%
CYP (in mil)	2,887,500	2,799,286	97%
Revenue (Tk)	1,103,100,000	1,055,991,590	96%



Consumer Product Category (CP)

The Consumer Product category comprises of five condom brands in several variants. In FY 2016-17, SMC Enterprise Ltd sold 82.72 million pcs condoms, representing a shortfall of 12.68 million pcs or 13.30% against the annual target. Overall, there has been a decline in the sales of SMC condoms in recent years primarily due to influx of low-priced Chinese brands offering high margin to the traders.

Table 5: Targets and Achievements: FY 2016-17 CP category (In millions)

Brands	Target	Actual	Target % Achieved
Hero	11.5	10.52	91%
Panther	41.5	40.95	99%
Sensation	30	21.68	72%
U & Me	11	8.23	75%
Xtreme	1.4	1.34	95%
Total condoms (pcs)	95.4	82.72	87%
CYP	0.795	0.689	87%
Joya (in packs)	4.21	5.01	119%
Sales revenue (Tk.)	648.65	612.13	94.36%





SMC sales officer taking order from a pharmacy outlet

Sales and Distribution Reach

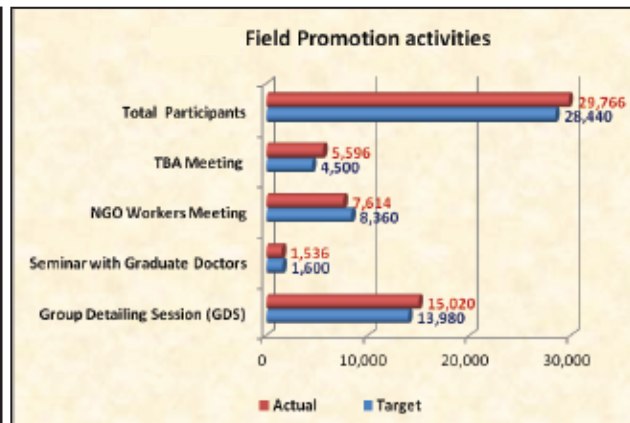
SMC's distribution network managed by its own sales force covers a vast number of pharmacies and non-pharmacy outlets in both urban and rural markets across the country. During the year, sales team members from 12 Areas Offices reached out to almost 284,495 outlets of which around 41% were pharmacies and 59% were non-pharmacies. Products were additionally sold to 1,180 institutions that included NGOs, hospitals and clinics. 58% of all successful effective calls were made to pharmacy outlets and 42% to non-pharmacies. Some of these outlets also made direct purchases from a stockiest/wholesaler. The following table gives a picture of outlet coverage and effective calls in FY 2016-17:

Table 6: Outlet Coverage and Effective Calls in FY 2016-17

Criteria	Number by Type of Outlets			Total
	Pharma Outlets	Non-Pharma Outlets	Institutions	
Outlet Coverage	117,928	165,387	1,180	284,495
Effective Call	633,795	445,077	4,799	1,083,671



Cycle salesman of SMC selling his products





Bogura Regional team participating in a field promotional activity

Field Promotion Activities

To create demand and introduce new products through service providers, SMC's Sales Promotion Officers implement a good number of promotional activities under respective area offices. Activities under field promotion include small interactive events like group detailing sessions with Rural Medical Practitioners (RMP), Palli Chikitschoks (PC) and other community level health providers on health related topics such as contraception, diarrheal management, hygiene, nutrition and reproductive health. Field officers additionally conduct a number of promotional meetings with graduate doctors which goes a long way in increasing prescription rates and maintaining as well as enhancing the goodwill of SMC further. During the 12-month period in FY 2016-17, SMC reached over 29,766 health providers including graduate doctors, NGO workers, non-graduate health service providers and traditional birth attendants through various promotional sessions.

Table 7: Field Promotion Activities During FY 2016-17

Field Promotion activities by Type	No of Participants			
	Target	Actual		
		Male	Female	Total
Group Detailing Session (GDS)	13,980	14,851	169	15,020
Seminar with Graduate Doctors	1,600	924	612	1,536
NGO Workers Meeting	8,360	950	6,664	7,614
TBA Meeting	4,500	349	5,247	5,596
Total Participants	28,440	17,074	12,692	29,766



Joya promotional session with female students



Helping you live better



এসএমসি
ওস্যালাইন-এন®
৩৩ বছর পেরিয়ে
আজো আস্থার প্রতীক

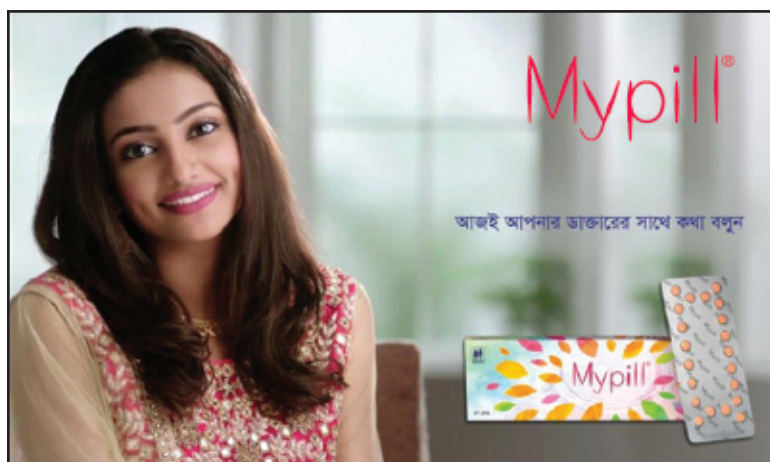
Product Development and Brand Communication Highlights

SMC Enterprise Ltd implements an integrated marketing communication strategy to reach the very diverse group of audiences. The 360 degree approach includes its brands' presence on above-the-line and below-the-line media including radio, television, print, outdoor, IPC, provider detailing programs, internet and so on. A snapshot of the major communication activities implemented in the year are as follows:

OTC Brands

- **ORSaline-N:** Use of ORSaline-N has gone far beyond correction of dehydration caused by diarrhea. It is considered as the healthiest solution in replenishing the lost electrolytes and fluids that lead to dehydration and associated weakness (imbalance) caused by summer heat and diarrhea. To promote use of this healthy solution during Ramadan, the OTC products marketing team sponsored two programs on RTV and Bangla-vision. Additionally, to keep the brand on top of the mind and promote its use during the prolonged summer in FY 2016-17, the TVC also ran in other programs on various satellite channels.
- **Mypill:** The OTC products marketing team produced a TVC on its new brand Mypill to create awareness among the potential users in the middle to upper middle class. The story talks about a young woman who has full control in planning her future. She is a self-conscious homemaker, consults her doctor when it comes to plan her family and adopts what she thinks will work best for her. She expresses her high level of satisfaction about the pill that has perfectly suited her.

The TVC went on air in moderate frequency but in high TVR, TG-relevant programs. The TVC continued to be on air for 25 days. A post campaign evaluation of viewership by 390 married women of reproductive age revealed that more than 26% of women viewed the TVC; most of them liked it and understood the message. The brand was also present on FM channels, press and magazine.





- Femipil:** The OTC products marketing team produced a new TV commercial for its second-highest selling OCP brand Femipil in the year. Built on insights received through studies on Femipil and Sukhi users, the new TVC unfolds the story of a happily married rural woman, who is intelligent, knows what happiness means to her and how to achieve it. She always takes the right decision to plan her family and keep her health in good shape so that she can give quality time to create a small, happy family. Built on realistic aspirations, the message was delivered in simple language, suiting to the profile of the target group and their ability to understand the message clearly. An animated version of the TVC was pre-tested among the Sukhi users which brought very positive findings for us to confidently proceed.

SMC has the aim to increase its pill market share to 50% from the current share of about 44% by the next couple of years. The urban and semi urban markets, dominated by SMC's Femicon, have reached almost the saturation point and therefore any significant growth from these markets is unlikely. In an overall slow growth OCP market, SMC instead sees a potential for its lowest-priced Femipil in the rural market that is dominated by GOB-distributed Sukhi with a 51.6% market share of all pill users (BDHS 2014). To attract women of reproductive age in the rural areas who are willing to pay Tk. 18 for a quality pill, the marketing team worked on developing new creatives on a rural-based repositioning. The new TV commercial was produced as the stepping stone in creating a bigger Femipil user-base in the rural areas. It was launched during the last quarter of FY 2016-17. The TVC was aired during a tri-nation cricket series in May 2017 and it ran in the Eid special programs.

- Other Campaigns:** OTC products marketing team implemented TV campaigns on Norix – the 2-dose emergency contraceptive pill and Femicon – the category leader in the private COC market. Both the TVCs ran on major satellite channels with spot placements in regular TG-relevant shows as well as special programs during Eid and cricket matches. The team also developed a new TVC storyboard within the reporting year with a plan to complete production of the commercial during Q1 of the next fiscal year.





Consumer Brands

- Panther:** Being the largest selling condom brand and has been around in the market for almost 30 years, an extensive TV, print and outdoor media campaign focusing on the theme “Ashol Purush” was continued throughout the year. This included TVC airing in IPL-2017, Tri-Nations Cricket Series-2017 and Eid-ul-Fitr special programs. six billboards were also placed in various strategic locations as a brand reminder. The brand was positioned as a symbol of attitude and manhood that remain dormant in every common man. In addition, various promotional activities took place throughout the year.
- U&Me:** A digital marketing campaign “unmemoments” (You and me moments) was conducted on U&Me Facebook page on Valentine’s Day 2017 to create awareness of and consumer pull for the brand. The campaign reached 4.78 million people. Attractive prizes were also given to the winners of the contest.
- Sensation:** A new theme for Sensation “I Love You” was developed and communicated through various media. The new creative appeared in the major English and Bengali national dailies and also in magazines. A TVC based on the ‘I Love You’ theme was aired on various channels in various programs including BPL-2016.
- Amore:** SMC is planning to expand its condom portfolio by launching a premium condom named “Amore” in FY-2018 to compete in premium segment where Durex and Playsafe are the leading brands. This Amore brand will be launched with 2 variants including Black and Gold.





“Joya Alokito Nari” – a live award-giving TV program sponsored by SMC

- **Joya:** A new mass media campaign “JOYA - Egiye Jawar Golpo” was launched in FY 2016. The TVC was built on the theme that tells a story of three different women from three different walks of life. It presented three winners who embodied JOYA - Pichiyé Thakbo Na, which later touched and inspired millions of women’s lives. This campaign was well received and was continued in FY 2017. To reach out further to target audience, Joya sponsored 52 episodes of the popular drama serial “Noashal” on RTV. Joya has also sponsored (Powered By) the popular Bangla Movie “Aynabaji”’s TV premiere on RTV during Eid-UI-Fitr. Additionally, a consumer promotion TVC ran on top TV channels.

The brand appeared on national dailies, magazines, billboards and very useful passenger waiting sheds at strategic locations throughout the country which was appreciated by the local community, school/college girls and their parents. The consumer marketing team implemented posts on Joya’s facebook page - ‘Joya Moving Forward’ to engage with target audience. Special posts were shared during Pahela Baisakh, Mother’s Day, Father’s Day and Eid-UI-Fitr.

SMC commemorated International Women’s Day by sponsoring for the second time “Joya Alokito Nari” - a live award-giving and cultural program hosted by RTV on March 09, 2017. Eight outstanding women were honored at the event for their achievements and contributions in respective fields. Two thematic press ads were also published on top daily newspapers.

Joya was also engaged with icddr’b for their project on “Piloting menstrual hygiene management (MHM) interventions among urban and rural schools in Bangladesh” and provided Joya Wings sanitary napkin for the study.



Joya passenger waiting shed in front of Rajshahi University (left) and Shahjalal University of Science & Technology, Sylhet (right)



Signing ceremony with popular national cricketer Taskin Ahmed as brand ambassador for BOLT glucose powder

- **BOLT:** SMC Enterprise Ltd signed a contract with popular national cricket player Taskin Ahmed as the brand ambassador to promote BOLT, SMC's own glucose powder brand. BOLT will be launched by next summer.
- **Taste Me:** Under new product developments, 4 different flavors (Orange, Mango, Lychee and Pomegranate) of "Taste Me" were developed and Certification of Manufacturing (CM) license from BSTI was obtained. Manufacturing will start very soon and product will be launched during summer period.



State of the art ORSaline-N manufacturing facility in Bhaluka, Mymensingh

Manufacturing Operations

ORS Factory, Bhaluka, Mymensingh

SMC's ORS manufacturing facility in Bhaluka, Mymensingh is ISO-certified and cGMP compliant. The state of the art facility operates round the clock to meet growing demand and achieve higher revenue targets. The factory employs around 578 staff (including 89 of FMD and 37 employees of CWH) in a combination of full time, casual and contractual. The Repackaging Unit works in a single shift, doing secondary packaging of injectables, IUDs and Safe Delivery Kits.

During FY 2016-17, the ORS factory produced 358.119 million sachets against the target of 350 million, which was 2.31% higher than the target. Presently, total production capacity of the factory is 350 million sachets per year from six lines. The preparation for the 7th line is well under way, which is expected to add another 70 million sachets to total production capacity annually.

Outsourcing: SMC's own supply is not adequate to meet the growing demand for ORS, especially during the hot summer season each year. It therefore procures the additional quantity through contract-manufacturing from renowned pharmaceutical companies. In FY 2016-17, SMC purchased around 327.88 million sachets of ORSaline-N from Renata Limited, Popular Pharmaceuticals Ltd. and Essential Drugs Company Ltd.

Table 8: ORS Procured through Contract Manufacturing in FY 2016-17

Source of Contract Manufacturing	Quantity procured (in million sachets)
Renata Limited	235.86
Essential Drugs Company Ltd	69.13
Popular Pharmaceuticals Ltd	22.89
Total outsourcing quantity	327.88



Diaper production at the Health & Hygiene Factory, Cumilla

Health & Hygiene Factory, Baubond, Cumilla

SMC Enterprise Ltd's own state of the art Hygiene Factory in Baubond, Cumilla started commercial production in April 12, 2017. SMC, riding on the success of Joya in low-middle class segment, is now targeting upscale consumers through introduction of new variants of sanitary napkin of premium quality. The factory accommodates additional facility to manufacture a range of other products including baby diaper, baby wipes and wet tissues. Following table summarizes production of JOYA in FY 2016-2017:

Table 9: Joya Production in Own Factory

Joya Belt 5's				Joya Belt 8's			Remarks
Month 2017 (Unit in Carton)	Target	Actual	Achieved %	Target	Actual	Achieved %	
April	-	1719	-	-	1439	-	Belt production started from April 12, 2017
May	3125	5232	167.42%	8750	9406	107.50%	
June	3125	3019	96.61%	8750	7836	89.55%	
Total	6250	9970	159.52%	17500	18681	106.75%	

Joya Wings 8's				
Month 2017 (Unit in Carton)	Target	Actual	Achieved %	Remarks
April	-	-	-	
May	-	-	-	
June	5417	2452	45.26%	Wings production started from June 3, 2017
Total	5417	2452	45.26%	



Inauguration ceremony of SMC Pharmaceuticals

SMC Pharma Division

'No one should suffer, especially the less privileged, due to lack of affordable quality medicine'. Keeping this aim in mind, SMC established a Pharmaceutical Division under the Enterprise to provide quality medicines for people belonging to all segments of the population including the limited income group. We planned to start prescription pharmaceutical products marketing and sales from August 2017 onwards. Meanwhile, we obtained approval on 20 non-biological products from the Directorate General of Drug Administration (DGDA) which would be manufactured from Julphar Bangladesh Ltd under a toll manufacturing agreement. The type of products would be anti-ulcerants, pain killers, anti-histamines, anti-asthmatic, anti-spasmodic, mineral supplement, etc. Corporate promotion, press advertisement and press release, brand promotion and chemist promotion had been planned. Recruitment, training and placement of sales force went in process. A national distributor was selected. E-sales invoicing and 'sales force activity monitoring' application was developed.

Table 10: Pharma Product List

SI No.	Therapeutic Class	Brand Name	Generic Name	Strength	Dosage form
1	Analgesics & Antipyretics	Paragesic	Paracetamol BP	500 mg	Tablet
2		Paragesic-C	Paracetamol BP + Caffeine BP	500 mg & 65 mg	Tablet
3	Drugs for obstructive airway diseases	Ezevent 10	Montelukast USP	10 mg	Tablet
4		Ezevent 4	Montelukast USP	4 mg	Chewable Tablet
5	Antiemetics & antinauseants	Vomidyl	Ondansetron USP	8 mg	Tablet
6	Antihistamines	Fenox	Fexofenadine HCl USP	120 mg	Tablet
7	Drugs for acid related disorders	Resectin	Ranitidine USP	150 mg	Tablet
8		Esomium20	Esomeprazole USP	20 mg	Capsule
9		Esomium 40	Esomeprazole USP	40 mg	Capsule
10		Prazomax 20	Omeprazole BP	20 mg	Capsule
11		Prazomax 40	Omeprazole BP	40 mg	Capsule
12		Rabucid	Rabeprazole Sodium USP	20 mg	Tablet
13		Pantoprox	Pantoprazole USP	20 mg	Tablet
14	Mineral supplement	Forbon	Calcium BP	500 mg	Tablet
15	NSAID (pain killer)	Flexidol	Aceclofenac BP	100 mg	Tablet
16		Actifast	Ketorolac tromethamine USP	10 mg	Tablet
17		Dolwin	Naproxen USP	500 mg	Tablet
18	Drugs for functional gastrointestinal disorders	Spadyl	Tiemonium Methylsulphate INN	50 mg	Tablet
19	Drugs for constipation	Lactusol	Lactulose USP	3.35 gm/5 ml (100 ml)	Oral Solution
20	Anthelmintics	Vermicid	Albendazole USP	400 mg	Chewable Tablet

Auditor's Report

Auditor's Report

SOCIAL MARKETING COMPANY

(July 01, 2016 - June 30, 2017)



Social Marketing Company
Independent Auditors' Report to the Members of Social Marketing Company
For the year ended 30 June 2017

We have audited the accompanying financial statements of Social Marketing Company (the "Company") which comprise the statements of financial position as at 30 June 2017, Income and Expenditure Account- SMC Corporate, Income and Expenditure Account- SMC Programme Division, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements of the Company based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2017, the financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards, Companies Act 1994 and other applicable laws and regulations.

We also report that:

- 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;
- in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books; and
- the Statement of Financial Position, Income and Expenditure Account- SMC Corporate, Income and Expenditure Account- SMC Programme Division of the Company dealt with by the report are in agreement with the books of account.

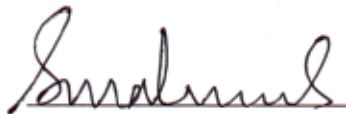
Dhaka, Bangladesh
Dated, 20 November 2017


MABS & J Partners
Chartered Accountants


Social Marketing Company
Statement of Financial Position
As at 30 June 2017

Particulars	Notes	30.06.2017	30.06.2016
		BDT	BDT
Assets			
Non-current assets			
Property, plant and equipment	4	724,950,680	673,301,946
Investment in subsidiary		100,000,000	50,000,000
Current assets			
Investment of gratuity fund	5	-	50,009,398
Inventories	6	56,328,708	52,973,883
Receivables	7	865,021,439	1,024,172,986
Advance, deposits and prepayments	8	437,594,611	295,157,155
Investment in fixed deposits	9	1,545,831,293	1,556,381,536
Cash and cash equivalents	10	126,668,443	222,093,309
Total current assets		3,031,444,493	3,200,788,267
Total assets		3,856,395,173	3,924,090,213
Equity			
Capital fund	11	2,916,429,830	2,889,590,810
Retained earnings	12	441,692,033	495,048,853
Total equity		3,358,121,863	3,384,639,663
Liabilities			
Non-current liabilities			
Retirement benefit obligation-gratuity	13	-	53,010,157
Current liabilities			
Provision for corporate income tax	14	304,353,398	304,353,398
Deferred donation income	15	25,320,393	33,338,139
Accounts payables	16	129,168,387	104,686,559
Creditors for other finance	17	39,431,132	44,062,297
Total current liabilities		498,273,310	486,440,392
Total equity and liabilities		3,856,395,173	3,924,090,213

These financial statements should be read in conjunction with annexed notes


Chief of Finance , IT & Administration


Managing Director & CEO


Chairman

MABS & J Partners
Chartered Accountants

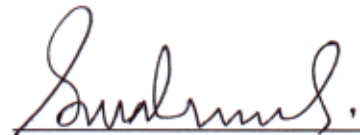
Dhaka, Bangladesh
Dated, 20 November 2017

Social Marketing Company
Income and Expenditure Account (SMC Corporate)

For the year ended 30 June 2017

Particulars	Notes	01 July '16 to	01 Oct '15 to
		30 June '17	30 June '16
		BDT	BDT
Income			
Other Income	22	222,907,875	151,699,766
Operating expenses:			
Salaries and benefits		(116,082,008)	(70,559,700)
Travel and distribution		(15,897,407)	(9,138,971)
Packaging expenses		(1,710,855)	(1,585,796)
General operating costs		(44,736,334)	(30,945,688)
Other direct cost		(49,921,710)	(42,232,727)
Advertisement and promotion		(4,090,393)	(22,915,020)
Depreciation		(43,382,082)	(25,736,066)
Participants' training		(38,850)	(473,949)
Customers' education		(405,056)	(293,933)
Consultants		-	(1,893,016)
Total Operating expenses	20	<u>(276,264,695)</u>	<u>(205,774,866)</u>
Surplus/(Deficit) transferred to retained earnings		<u>(53,356,820)</u>	<u>(54,075,100)</u>

These financial statements should be read in conjunction with annexed notes


Chief of Finance, IT & Administration


Managing Director & CEO


Chairman

Dhaka, Bangladesh
Dated, 20 November 2017


MABS & J Partners
Chartered Accountants

Social Marketing Company

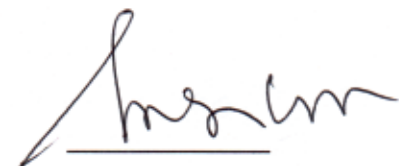
Income and Expenditure Account (SMC Programme Division)
For the year ended 30 June 2017

Particulars	Notes	01 July '16 to	01 Oct '15 to 30
		30 June '17	June '16
		BDT	BDT
Receipts			
Revenue	18	109,177,204	103,003,056
Cost of Goods Sold	19	52,519,000	81,291,767
Gross Profit		56,658,204	21,711,289
Operating Expenses			
Salaries and benefits		(37,633,660)	(28,643,312)
Travel and distribution		(9,738,295)	(5,675,018)
Packaging expenses		(3,519,944)	(709,068)
General operating costs		(7,027,299)	(8,308,053)
Other direct cost		(45,876,088)	(2,483,340)
Advertisement and promotion		(77,061,556)	(69,073,045)
Research and product development		(7,888,156)	(2,757,131)
Participants' training		(117,763)	-
Customers' education		(149,913,691)	(183,559,742)
External Professional Services		(1,416,110)	(2,412,350)
		(340,192,562)	(303,621,058)
Donation Received	21	282,835,924	267,802,931
Other Income	22	2,064,301	1,551,296
Surplus/(Deficit) transferred to capital fund		1,365,867	(12,555,542)


These financial statements should be read in conjunction with annexed notes


Chief of Finance, IT & Administration


Managing Director & CEO

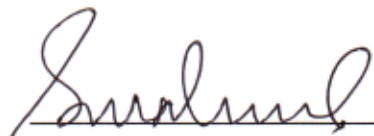

Chairman

Dhaka, Bangladesh
Dated, 20 November 2017


MABS & J Partners
Chartered Accountants

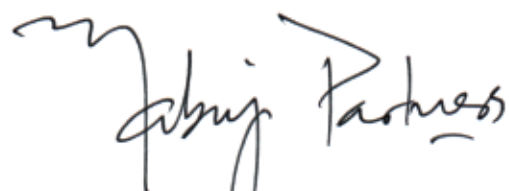
Social Marketing Company
Statement of Changes in Equity
For the year ended 30 June 2017

Particulars	Capital fund	Retained earnings	Total
	BDT	BDT	BDT
Year ended 30 June 2017			
Balance as at 01 July 2016	2,889,590,810	495,048,853	3,384,639,663
Adjustment made for the end of the Projects	25,473,153	-	25,473,153
Surplus for the year - SMC Programme division	1,365,867	-	1,365,867
Deficit for the year - SMC Corporate	-	(53,356,820)	(53,356,820)
Balance as at 30 June 2017	<u>2,916,429,830</u>	<u>441,692,033</u>	<u>3,358,121,863</u>
Period ended 30 June 2016			
Balance as at 01 October 2015	2,902,146,352	549,123,953	3,451,270,305
Deficit for the period - SMC Programme division	(16,582,271)	-	(16,582,271)
Deficit for the period - SMC Corporate	-	(50,048,371)	(50,048,371)
Balance as at 30 June 2016	<u>2,885,564,081</u>	<u>499,075,582</u>	<u>3,384,639,663</u>
Adjustment for change in presentation	4,026,729	(4,026,729)	-
Adjusted Balance as at 30 June 2016	<u>2,889,590,810</u>	<u>495,048,853</u>	<u>3,384,639,663</u>


Chief of Finance, IT & Administration


Managing Director & CEO


Chairman



Dhaka, Bangladesh
Dated, 20 November 2017

MABS & J Partners
Chartered Accountants

Auditor's Report

SMC ENTERPRISE LTD

(July 01, 2016 - June 30, 2017)



Independent Auditor's Report To the Shareholders of SMC Enterprise Limited

We have audited the financial statements of SMC Enterprise Limited, which comprise the statement of financial position as at 30 June 2017, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of SMC Enterprise Limited as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Emphasis of Matter

Without modifying our opinion as above, we draw attention to note # 4.1 to the financial statements where management describes that the land & building acquired from Social Marketing Company (SMC) under vendor's agreement have not yet been registered in the name of SMC Enterprise Limited till 30 June 2017.

Report on Other Legal and Regulatory Requirements

We also 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 those books; and
- (c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account maintained by the company and examined by us.

Dhaka,
09 November 2017

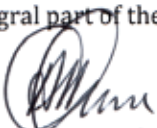

ACNABIN
Chartered Accountants


SMC Enterprise Limited
Statement of Financial Position
 As at 30 June 2017

	Notes	30.06.2017 Taka	30.06.2016 Taka
Assets			
Non-current Assets			
		1,530,341,921	1,202,373,198
Property, plant and equipment	4	1,475,806,170	1,141,091,862
Capital work-in-progress	5	54,535,751	61,281,336
Current Assets			
		1,925,911,987	1,595,719,085
Inventories	6	551,407,131	421,731,080
Accounts receivables	7	8,267,606	10,665,326
Other receivables	8	31,452,452	48,396,818
Advance, deposit and prepayments	9	822,091,571	235,289,094
Investment in fixed deposit	10	168,899,647	358,818,091
Cash and bank balances	11	343,793,580	520,818,675
Total Assets		3,456,253,908	2,798,092,283
Equity and Liabilities			
Capital and Equity			
		1,452,942,244	1,552,829,918
Share capital	12	100,000,000	50,000,000
Retained earnings	13	1,062,942,244	625,029,918
Vendor's Account - SMC (Potential Shares)	14	290,000,000	877,800,000
Non-current Liabilities			
		665,612,688	63,363,351
Vendor's Account - loan (net off current portion)	14.1	399,904,481	-
Loan from SMC	15	151,750,685	-
Payable for gratuity	16	56,313,323	47,093,123
Deferred tax liability	17	57,644,199	16,270,228
Current Liabilities			
		1,337,698,976	1,181,899,014
Vendor's Account - loan (current portion)	14.1	150,000,000	112,104,481
Security deposits	18	22,334,873	17,625,340
Accounts payable	19	363,075,401	482,806,952
Other payables	20	219,870,018	215,468,840
Provision for WPPF & WF	21	37,339,062	35,023,048
Income tax provision	22	545,079,623	318,870,353
Total Equity and Liabilities		3,456,253,908	2,798,092,283

The annexed notes from 1 to 36 form an integral part of these financial statements.

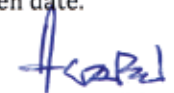

 (Abul Bashir Khan, FCMA)
 Chief Financial Officer


 (Abdul Haque)
 Managing Director


 (Siddiqueur Rahman Chowdhury)
 Chairman

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

Dhaka,
 09 November 2017



 ACNABIN
 Chartered Accountants

SMC Enterprise Limited
Statement of Profit or Loss and Other Comprehensive Income
 For the year ended 30 June 2017

	Notes	2016-2017 Taka	2015-2016 Taka
Net revenue	23	4,323,043,169	3,852,989,454
Cost of goods sold	24	(2,720,537,997)	(2,416,263,436)
Gross profit		1,602,505,173	1,436,726,018
Operating expenses		(876,825,211)	(776,588,034)
Administrative Expenses	25	(447,034,742)	(404,819,749)
Selling & Marketing Expenses	26	(429,790,469)	(371,768,285)
Gross Operating Profit for the year		725,679,961	660,137,983
Finance expense	27	(1,750,685)	-
Net Operating Profit for the year		723,929,276	660,137,983
Other income	28	23,606,540	34,536,826
Profit before WPPF & WF for the year		747,535,816	694,674,809
Provision for contribution to WPPF & WF		(37,376,791)	(34,733,740)
Profit before tax for the year		710,159,025	659,941,069
Income tax expense		(267,583,241)	(218,048,917)
Current tax expense		(226,209,270)	(210,196,828)
Deferred tax expense	17.1	(41,373,972)	(7,852,089)
Profit after tax for the year		442,575,784	441,892,152
Other comprehensive income		-	-
Total comprehensive income		442,575,784	441,892,152

The annexed notes from 1 to 36 form an integral part of these financial statements.


 (Abul Bashir Khan, FCMA)
 Chief Financial Officer


 (Abdul Haque)
 Managing Director


 (Siddiqur Rahman Chowdhury)
 Chairman

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

Dhaka,
 09 November 2017


 ACNABIN
 Chartered Accountants

SMC Enterprise Limited
Statement of Changes in Equity
For the year ended 30 June 2017

(Amount in Taka)


Particulars	Share Capital	Retained Earnings	Vendor's Account-SMC (Potential Shares)	Total Equity
Opening balance	50,000,000	625,029,918	877,800,000	1,552,829,918
Share issued during the year	50,000,000	-	(50,000,000)	-
Adjustment during the year	-	5,336,541	(537,800,000)	(532,463,459)
Total comprehensive income for the year	-	442,575,784	-	442,575,784
Cash dividend paid for 2015-2016	-	(10,000,000)	-	(10,000,000)
Balance as at 30 June 2017	100,000,000	1,062,942,244	290,000,000	1,452,942,244

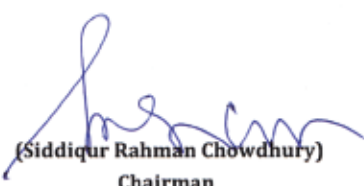
Particulars	Share Capital	Retained Earnings	Vendor's Account-SMC (Potential Shares)	Total Equity
Opening balance (as on 01.10.2015)	50,000,000	188,137,766	877,800,000	1,115,937,766
Total comprehensive income for the year	-	441,892,152	-	441,892,152
Cash dividend paid for 2014-2015	-	(5,000,000)	-	(5,000,000)
Balance as at 30 June 2016	50,000,000	625,029,918	877,800,000	1,552,829,918

The annexed notes from 1 to 36 form an integral part of these financial statements.

Dhaka,
09 November 2017


 (Abul Bashir Khan, FCMA)
 Chief Financial Officer


 (Abdul Haque)
 Managing Director


 (Siddiqur Rahman Chowdhury)
 Chairman

SMC Enterprise Limited
Statement of Cash Flows
For the year ended 30 June 2017


	2016-2017 Taka	2015-2016 Taka
A. Cash flows from operating activities		
Net profit before taxation	710,159,025	659,941,069
Item not involving in movement of cash:		
Depreciation on property, plant and equipment	123,361,459	100,162,940
	833,520,484	760,104,009
Changes in working capital/Non Operating/ Non Cash Items		
Increase/(decrease) in advances, deposit and prepayments	(212,492,293)	100,997,910
Increase in inventories	(124,336,103)	(157,772,451)
Decrease in accounts receivables	2,397,721	16,487
Decrease in other receivables	16,944,366	227,064,478
Increase in provision for WPPF	2,316,014	27,375,752
Increase/(decrease) in provision for gratuity	9,216,793	(147,059,030)
Increase in other payable	6,151,864	482,684,912
Increase in security deposits	4,709,533	12,067,578
Decrease in accounts payables	(119,731,551)	(582,989,720)
	(414,823,657)	(37,614,083)
Income tax paid	(374,310,183)	(105,135,069)
Net cash flow from operating activities	44,386,644	617,354,857
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(423,838,668)	(307,457,566)
Disposal of furnitures & equipments	-	2,403
Capital work-in-progress	(127,491,515)	(56,822,760)
Encashment of fixed deposit	358,818,091	-
Investment in fixed deposit	(168,899,647)	(6,624,341)
Net cash used in investing activities	(361,411,740)	(370,902,264)
C. Cash flows from financing activities		
Receipt of loan from SMC	150,000,000	-
Dividend paid in cash	(10,000,000)	(5,000,000)
Net cash flow from/(used in) financing activities	140,000,000	(5,000,000)
Net (decrease)/increase in cash and bank balances(A+B+C)	(177,025,095)	241,452,591
Cash and bank balances at beginning of the year	520,818,675	279,366,084
Cash and bank balances at end of the year	343,793,580	520,818,675

The annexed notes from 1 to 36 form an integral part of these financial statements.

Dhaka,
09 November 2017


(Abul Bashir Khan, FCMA)
Chief Financial Officer


(Abdul Haque)
Managing Director


(Siddiqur Rahman Chowdhury)
Chairman



SOCIAL MARKETING COMPANY
SMC ENTERPRISE LTD

(A SUBSIDIARY OF SOCIAL MARKETING COMPANY)

SMC Tower, 33 Banani C/A, Road - 17, Dhaka-1213, Bangladesh.

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