ANNUAL REPORT
2016-2017

Delta Pharma Limited

Bismillahir Rahmanir Rahim

"Delta Pharma Limited is dedicated to enhance the image and performance of the organization by manufacturing pharmaceutical products of excellent quality, efficacy and safety, appropriate to their intended use."

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TRANSMITTAL LETTER

To
The Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms.

Sub : Annual Report for the year ended 30 June 2017.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Director's Report and Audited Accounts including Statement of Financial Position as on 30 June 2017, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended 30 June 2017 along with notes thereon for your record/necessary measures.

Yours sincerely

Dr. A. K. M. Muslem Uddin
Executive Director (Commercial)
&
Company Secretary (In-charge)

Dated: 03 December, 2017

NOTICE OF THE 10TH ANNUAL GENERAL MEETING

Notice is hereby given that the **10th Annual General Meeting** of the shareholders of **Delta Pharma Limited** will be held on the **25 December (Monday) 2017,** at **11:00 am** at **Sundarban-10, Sadarghat, Dhaka, Bangladesh** to transact the following business:

AGENDA

1-0 To receive, consider and adopt the Audited Accounts for the year ended 30 June 2017 together with the Report of the Directors and the Auditors thereon;

2-0 To elect Directors in terms of the relevant of Articles of Association of the company;

3-0 To consider and approve the dividend for the year ended 30 June 2017;

4-0 To appoint Auditor(s) for the year ended 30 June 2018 and fix their remuneration;

5-0 To consider holding the post of the Managing Director of other companies by the Managing Director of Delta Pharma Ltd.

By order of the Board

Dr. A. K. M. Muslem Uddin
Executive Director (Commercial)
&
Company Secretary (In-Charge)

Dated: 03 December, 2017

Notes:

1) A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his/her behalf. The Proxy Form, duly stamped and completed, must be deposited at the Dhaka office address of the Company at House # 501, Road # 34, New DOHS, Mohakhali, Dhaka-1206 at least 48 hours before the time fixed for the Meeting.

2) Admission into the meeting room will be allowed on production of the "Attendance Slip" attached with the Proxy Form.

Bismillahir Rahmanir Rahim

CHAIRMAN'S STATEMENT

Valued Shareholders,

As-Salamu-Alaiqum.

On behalf of the Board of Directors I welcome all of you to the 10th Annual General Meeting of Delta Pharma Limited. I hope you all have received the copies of the Annual Report for the year ended 30 June, 2017 containing the Directors' Report and the Audited Financial Statements together with Auditor's Report thereon for the year ended 30 June, 2017, which are being placed here today for your kind consideration and approval.

Hopefully, all of you are aware that, Bangladesh is little ahead in reaching the business climate index and other socio-economic indices and had made remarkable progress in the growth rate of GDP by reaching at a rate of 7.11% during the financial year 2015-2016. Keeping pace with the national growth, our company has been succeeding in increasing turnover over the last few years.

The philosophy of business operations that our company continues to ensure the quality of our products, uphold the interest of shareholders and development of our resources. Despite the ample hardship, Company has been succeeding in increasing turnover over the years at the level of growth enjoyed by the country. As a part of our diversification plan, we have been awarded with an industrial plot at Gazaria, Munshiganj and formed a subsidiary company in the name of 'Delta API Limited' to establish API plant and business.

Our existing plant has been renovated and necessary expansion has been done to meet the increasing demand of our products. We have a professional team under visionary Managing Director, who has always been dedicated to achieve our goal. During the financial year 2016-2017, we have earned a net profit of more than TK. 4.45 Crore, from which the Board Directors recommended 05% cash dividend for your consideration.

The Board of Directors is always aware about the interest of the shareholders. We are thankful to our valued shareholders, prescribers, employees, suppliers, Bankers, Auditor, Legal Advisor and other stakeholders for continued support to achieve the goal.

Thanking you all with best wishes of health and heart.

Yours sincerely

F. akhter

Mrs. Ferdousi Akhter

Bismillahir Rahmanir Rahim

ADDRESS OF WELCOME BY THE MANAGING DIRECTOR

Honorable Chairman, Directors and the Shareholders,

As-Salamu-Alaiqum.

It's a great privilege and honor for me to welcome you all to the 10th. Annual General Meeting of the company. This year we have organized the AGM in a fascinating environment to give the taste of success to our valued shareholders. We hope and expect that they will enjoy the meeting and it's related events with great enthusiasm and participation.

We are extremely happy for proposing the dividend for the shareholders this year and offering our heartfelt thanks, gratitude and congratulation to you all for this magnificent achievement. My sincere gratefulness to you all as because this becomes only possible by your generous support and confidence on us.

We are maintaining a steady growth in our business. We are investing at our plant and improving the facilities and modernizing and expanding our production and quality management system by continuous and huge investment there. Our growth has not been stalled by the pressure of this massive investment or by any other challenge of the present business environment of Bangladesh. Since it's inception in 2004, we are consistent on our promise of performance

and also maintaining the pledge for providing the quality medicine at an affordable price.

Through this august occasion, we would like to recognize and acknowledge the contribution of the sponsor shareholders and the entrepreneurs, especially our beloved late Managing Director Dr. M. Omar Faruque, for whom, we are here now and we can say good words to you all. For them, we can see our hope of prosperity, we can dream our brilliant future and for their magnificent aspiration, we can run our business and the company smoothly. We always acknowledge the cooperation, contribution and the involvement of our shareholders, prescribers, employees and the chemists for their excellent generous support to us.

Our business growth in local and export market has been significantly attained by our qualified and committed professionals through proper handling of the market competition and also by giving accurate marketing strategy. Our strong position in key therapeutic segments like anti-rheumatic, lipid lowering agents, analgesics and respiratory segment has been maintained with excellent growth rate in each segment. We are also branding our products to the Diabetic, Cardiovascular and Gastrointestinal range. Some of our brands are leading the Bangladesh pharma market having position within top five brands in the market.

Our export initiative has been successfully moving with a solid foundation, as we are now operating in the moderately stringent regulatory medicine market of the world. Our export has been consolidated in Philippines inspite of different odds there and hope to cross the half million USD target by 2018 and expecting to cross the million dollar benchmark before 2020 from there. Our other export initiatives in Vietnam, Myanmar, Cambodia, Srilanka, African and Latin American countries will give us better result in the coming days by our sincere effort & with the Quality of medicine, beautiful presentation & the competitive price.

We have been awarded with an "A category API plot" in the API park at Gozaria of Munshigonj district measuring 3.27 Acres of land there. The park has already been developed by the BSCIC of Bangladesh Government with all infrastructure and utility facilities. We have already paid the first installment of the plot to the government and also has taken the hand-over of the plot from the authority. We are now in a process of making feasibility of the API molecules, exploring the opportunity for joint collaboration and partnership with the renowned API companies of the world. We have performed some meetings with them and at a stage of negotiation with them. Hopefully, we'll be able to start negotiation of partnership and conceptualization and design of the plant by 2018 Insha Allah.

My sincere appreciation to all the shareholders of the company for being with us in our long and laborious journey and also for keeping their trust on us. I would also like to extend my heartfelt thanks to each and every employee of Delta Pharma for their commitment, loyalty, honesty and hard work and request them to face the challenges of the coming days and to achieve the success of the company. I'm confident on their ability to achieve the targeted results and on the accomplishment of our ultimate goal.

Again, I want to restate our strong desire and pledge for sustained and accelerated growth of the company and also want to reassure our shareholders for the enhanced prosperity of their investment.

Sincere Thanks to all of you.

Allah Hafiz

Dr. Md. Zakir Hossain

ABOUT THE COMPANY

Delta Pharma Limited has been producing quality generic medicines at an affordable price, which has gained the trust of the physicians and patients within Bangladesh and also in the exporting countries and made us as one of the leading pharmaceutical companies in Bangladesh.

From the inception of it's journey with the present management in 2005, Delta Pharma is determined to deliver the highest quality medicines at an affordable price to the patients around the world. Starting from it's journey, Delta Pharma has introduced many time demanding, life saving and first time in Bangladesh type of products in the market and made the company's business strengthened both locally and globally.

The honesty, efficiency, loyalty, dedication and commitment, integrity, sincerity and ethical practice of the employees and the valuable continued trust from the shareholders are the main strength of this company. Both the corporate and operational management of Delta Pharma are committed to achieve the vision, mission and objective of the company through a concerted effort from the shareholders, employees, customers and its well wishers.

Our Vision

Our vision is to reach a level of excellence in pharmaceuticals through a sustained effort to quality assurance and to achieve a global standard through the indoctrination of a culture of excellence

Our Mission

Our mission is to benefit people and improve their quality of life through our quality products. As a generic company, our growth is closely knitted to the satisfaction of our customers. We would like to ensure customer satisfaction through providing quality medicine at affordable cost, launching new molecules & expediting export to all possible avenues. We are committed to achieve our goal through skilled, creative and motivated employees of highest professional standard.

Our Values

We are devoted to ensure quality in all our endeavors and to maintain the highest ethical standards in our business practices.

Our Object

Our object is to conduct transparent business operation within the legal & social frame work in order to attain the declared vision.

Our Quality Policy

The quality policy of Delta Pharma Limited is to prevent, mitigate and cure the human illness with quality pharmaceutical products at an affordable price.

CORPORATE INFORMATION

Company Name	:	Delta Pharma Limited
Company Registration No.	:	C- 502/2172/233
Legal Form	:	A public company (non-listed) with limited liability. Incorporated as private limited company on 17 June 1964 and re-launched under the present management in 2005 and subsequently converted to a public limited company on 14 December 2007.
Business Line	:	Manufacturing and marketing of Pharmaceutical Finished products
Authorized Share Capital	:	1,000 Million
Paid-up Share Capital	:	359.369 Million
Number of Total Shareholders	:	1,328 (at book closure date 26-28 November, 2017)
Number of Employees	:	1,399 as on 30 June 2017 (Permanent 1278, Casual 118 and Contractual 3)

BOARD OF DIRECTORS

Ferdousi Akhter
Chairman

Dr. Md. Zakir Hossain
Managing Director

Nazneen Akhter
Director

Nadira Begum
Director

Prof. Abdul Bayes Bhuiyan
Director

Monira Jahan
Director

Golam Farook
Director

Rifat Hossain
Director

THE BOARD OF DIRECTORS

Mrs. Ferdousi Akhter	Chairman
Mrs. Nadira Begum	Director
Mrs. Nazneen Akhter	Director
Prof. Abdul Bayes Bhuiyan	Director
Mrs. Monira Jahan	Director
Mr. Golam Farook	Director
Mrs. Rifat Hossain	Director
Dr. Md. Zakir Hossain	Managing Director

Audit Committee

Prof. Abdul Bayes Bhuiyan	Chairman
Mrs. Nadira Begum	Member
Mrs. Nazneen Akhter	Member
Mr. Golam Farook	Member
Mrs. Rifat Hossain	Member

Annual Business Plan Evaluation Committee

Prof. Abdul Bayes Bhuiyan	Chairman
Mrs. Ferdousi Akhter	Member
Mrs. Nadira Begum	Member
Mrs. Nazneen Akhter	Member
Mrs. Monira Jahan	Member
Mr. Golam Farook	Member
Dr. Md. Zakir Hossain	Member Secretary

EXECUTIVE MANAGEMENT

Dr. Md. Zakir Hossain	Managing Director
Dr. A. K. M. Muslem Uddin	Executive Director (Commercial) & Company Secretary (In-Charge)
Md. Golam Rabbani	Executive Director (Plant)
Muhammad Abul Kashem	Deputy General Manager (IBO)
Mohammad Rezaul Karim	Deputy General Manager (Finance & Accounts)
Ziaur Rahman	Assistant General Manager (Marketing)

AUDITOR

Ahsan Manzur & Co.
Chartered Accountants

LEGAL ADVISORS

Dr. Naim Ahmed
S. Ahmed & Associates

BANKERS

Islami Bank Bangladesh Ltd.
Prime Bank Ltd.
Dutch Bangla Bank Ltd.
AB Bank Ltd.
National Bank
Sonali Bank
Shahjajal Islami Bank Limited
Social Islami Bank Limited

OUR MANUFACTURING FACILITY

Delta Pharma Limited is an ISO 9001: 2015 certified company which is located at Pakundia, Kishoreganj, about 100 KM away from the capital city Dhaka. Total land area of the manufacturing site is about 471.50 decimal. The Plant has WHO & cGMP compliance facilities with skilled manpower.

It is one of the fastest growing Pharmaceutical Company of Bangladesh which is engaged in the manufacture & marketing of wide range of therapeutic drugs and nutritional products. We are growing more globally by exporting the finished products over 10 countries.

We are going to establish a new dedicated & modern Cephalosporin unit with highly sophisticated machinery & equipments within the compound.

At present, the annual production capacity of our Plant worth Taka 168.00 Crore which is a 16.67% growth from the previous year.

Facility Expansion & Capacity:

SL. No.	Fiscal Year	Production Capacity	Covered Area
01	2013-2014	122 Crore (In BDT)	35,200 sft.
02	2014-2015	132 Crore (In BDT)	40,152 sft.
03	2015-2016	144 Crore (In BDT)	41,182 sft.
04	2016-2017	168 Crore (In BDT)	46,682 sft.

Production Department

Delta Pharma produces various types of dosage forms which include tablets, capsules, oral liquids & powder for suspension by maintaining HVAC systems at all stages of operations. Production department has a clear vision to manufacture the best quality medicines in time by using highly sophisticated & modern machinery through qualified personnel. We are also committed to ensure highest output of quality products through birds-eye supervision of skilled personnel.

Delta Pharma has extended its range of products towards the global market and exporting pharmaceutical products following cGMP guidelines in every step of production processes. Production personnel always strive to prevent environmental pollution with proper maintenance of waste materials through Effluent Treatment Plant (ETP).

Quality Control Department

Delta Pharma Limited places it's total emphasis on maintaining and improving the quality of its products as" life- science" biology following the cGMP standards. The Quality control department facilities include a high quality standard laboratory with computerized equipment's and tools and a team of highly qualified and trained professionals. Quality control department is designed with Physical, Chemical, Instrumental and Microbiological Laboratory. Analytical system and other activities of Quality control department is followed by the guideline of British Pharmacopoeia (BP), United States Pharmacopoeia (USP), WHO cGMP, GLP and ISO 9001: 2015 Quality Management System.

We maintain the impurities profile of raw materials and finished products. We perform all test parameters of APIs, excipients and finished products as per validated test method. We carry out the bioweiver test of export products also.

Quality control department is highly equipped with the most modern and sophisticated equipment's and has been organized to facilitate the quality control activities. The major equipments include Atomic Absorption Spectrophotometer (AAS), High Performance Liquid Chromatography (HPLCs), Fourier Transform Infrared Spectrophotometer (FTIR), UV-Visible Spectrophotometer, Potentiometer, Karl-Fischer Titrator, Moisture Analyzer etc.

The Microbiology Laboratory is a fully operational unit under the Quality Control department and equipped with a wide range of equipment's. We perform microbiological test like particle count, total aerobic microbial count, total yeast and mould count, growth promotion test, media challenge test, environmental monitoring test, pathogenic microorganism test and microbiological test of water etc. We confirm our product quality through performing the above microbiological tests carried out by our qualified microbiologist.

Quality Assurance Department

The Quality Assurance is a high ranking concept, appropriate for production of medical products that covers all issues which can individually or collectively impact the quality of the products. It is a summary of all organizational arrangements composed in order to ensure that all the medical products are of high quality, safe and effective for use and they also correspond to the marketing authorization requirements. It is the systematic measurement, comparison with a standard, monitoring of processes and an associated feedback loop that confers error prevention.

We have well established Quality Assurance Department incompliance with National and International regulatory requirements that is fully documented in order to provide high quality medicinal products.

In all of our activities, we commit our energy and expertise to maintain the highest ethical and quality standards of medicinal products and safety for patients without compromise. These are our main concerns.

We guarantee the same level of quality and therapeutic effectiveness of our produced medicines irrespective of whom they were manufactured for. Furthermore, we operate in strict compliance with the most stringent international standards of quality and traceability. We have a program of self-inspection which is conducted by Quality Assurance Department. Through this program we can ensure consistent quality, share base practices and maintain our policy of continuous improvement.

The quality of raw materials and items provided by our suppliers is ensured through inspection policies, periodic reviews and quality performance indicators.

Product Development Department

Product Development Department of Delta Pharma Limited plays a vital role to develop new drug of the various dosage form like Tablet, Capsule, Liquid and Powder formulation by compliance with pharmacopoeia (BP, USP-NF & EP etc) which supports the valued customers with advanced & quality medicines at affordable prices. Our Pharmaceutical products are designed and developed in systematic way to achieve the standard quality by conforming to the Quality Management System set by ISO and strictly maintains the guideline of WHO cGMP for their intended use.

Our Product Development Department is running with highly skilled personnel with analytical lab machinery (HPLC, Dissolution Tester & Digital Hardness Tester etc.) and well equipped with all sorts of pilot batch machinery & equipments (Fluid Bed Dryer, Tablet

Compression, Tablet Coating etc.) for small scale production. This department also has facilities for stability study including climatic chamber for Accelerated & Long term stability study.

The activities are given below-

1. Pre-formulation studies of new drugs product.
2. Formulation Development & Improvement as per Quality by Design (QbD).
3. Lab/Trial batch manufacturing and standardize process sheet.
4. Analytical method develop and validation as per ICH guideline.
5. Stability study following ICH guide-line and prediction of shelf life.
6. Packaging component development & Improvement.

Engineering and Maintenance Department

Delta Pharma has a well equipped workshop with modern heavy duty machinery and a good number of skilled professional's like- Engineers (Electrical, Mechanical & Civil), trained technicians and Mechanics of electrical, mechanical, Refrigeration, Air-conditioning & HVAC system. The department is dedicated for smooth functioning and regular maintenance of the production machinery, QC/QA equipments, power house (generator & sub-station), compressed air system, HVAC system, water treatment plant, Effluent treatment Plant (ETP) and fire fighting system.

Warehouse Department

Warehouse of Delta Pharma supports the other departments within their best quality effort. We always receive and store raw and packaging materials from the renowned and validated sources following WHO GMP guidelines and maintain the ISO 9001:2015 quality management system.

We ensure various requirements for safety, traceability, hygiene and environmental quality indicators. We have dedicated packaging materials store for local and export business. Labels are kept under lock & key system and primary packaging materials are stored under standard cool conditions. We have separate finished goods store with quarantine area. Return and rejected materials/goods are kept in the appropriate storage location as per standard operating procedure (SOP).

Good Warehouse practice (GWP) for warehouse keeping, SOP for raw material reconciliation, SOP for Narcotic material handling, SOP for temperature mapping etc. are maintained regularly as per GMP guidelines.

HUMAN RESOURCES DEVELOPMENT

Development of the people of the company is our highest priority as we always recognize that they are the most valuable asset of the company. To ensure that our people are enabled and remain responsive to a rapidly changing world, we identify the training needs and provide training accordingly to broaden and enrich their professional skills. Throughout the year we arranged a good number of training programs for our employees both at home and abroad with internationally renowned speakers and trainers. Thought Leadership and Team Building meetings are conducted on a regular basis. We provide an enabling working environment to unleash the full potential of the employees and a performance based career progression.

Delta Pharma presently have 1,403 employees which include doctors, pharmacists, chemists, microbiologists, engineers and MBAs etc. Skill and efficiency driven HR policy with a strong emphasis on employee empowerment at every level has transformed our employees into a valuable resource.

We always follow the approved HR Policies and procedures of the company for recruitment & selection, manpower planning and career planning at each level. The company also believes their selection, development and deployment can lead to a competitive advantage in a changing business environment. The Company also provides internet and laptop facility for most of the mid and senior level officials and also arranged the libraries and on-line resources for the employees to encourage their self-development. We provide special incentive to the employees through a qualitative criterion based Balanced Score Card system for performance appraisal on regular monthly basis.

Delta Pharma have the employee friendly environment with its major HR policies like group insurance, gratuity, provident fund, benevolent fund and life insurance for the employees of the organization. We also provide Festival bonus, Performance bonus and Allowances, Field allowance, Risk allowance and Target based monthly and quarterly incentives at different times within a year based on their performance evaluation.

Training Department

We do believe that proper training enrich the knowledge base of employees. Unlike many others employers, we do not consider training as unnecessary expenses, rather we do believe that it as a highly profitable investment.

Employees of every level have some weaknesses in skills and knowledge and we consider these lacking as natural phenomenon. At Delta Pharma, we regularly review, monitor and identify these lacking of employees in knowledge and skills and provide the necessary trainings. We provide both On-the-job and Off-the-Job training, depending upon the situation and need of the employee.

In the plant, we conduct training in each and every department. Starting from the basic workers up to the departmental heads, training is an integral part of their regular professional life. The workers get training from heads of the different departments of the plant on regular basis. The Technical persons also get local and foreign training on different technical issues.

We provide rigorous and extensive foundation training to the newly recruited sales professionals through our In-house training department. Trainers from Marketing, Sales and HR departments conduct the academic part of the training program. After that they also get field training by our senior level field colleagues. By this academic and hands-on professional training the fresh graduates become a complete pharma sales professional who can confront any challenges. They also get refreshers training in every month to keep their knowledge updated. We have well equipped and furnished training room, equipped with digital facilities both in Plant and Corporate office.

For indoor professionals we conduct training program every year depending on their training need. For this purpose, we utilize our internal human resources and we also hire resource persons from outsides.

Besides that, frequently we send our mid and upper level managers and executives to different seminar, symposium and workshops to give them different professional exposures.

MIS & IT DEPARTMENT

Delta Pharma Limited has taken sincere initiatives towards adoption of automated system to deliver information and services to it's customers and stakeholders. This will provide the benefit in terms of transparency, easy accessibility of services, improvement of internal processes and decision support system to everyone. An IT based Computer Centre has already been set up by the company itself and is operational under the department of IT and is equipped with latest servers and client machines. It is providing various IT related services to the other departments. IT department is delivering valuable key services like networking, application development and implementation, Internet & e-mail, database management and training to it's customers. By establishment of IT department and by using the expertise of IT professional, we have been instrumental in steering the following IT initiatives:

Software Development and Implementation:

At present we are using desktop as well as web-based software. We have developed some in-house software solutions by our software engineers for our different departments and with their requirements. We have started developing the web-based ORACLE software. We hope that we will complete the development and implementation of all the modules of these software that we required by 2019.
Below is the status of our software:

Operational Modules:

- HR
- Attendance & Payroll
- Share

Development stage Modules:

- Procurement
- Central warehouse
- Sales

Upcoming Modules:

- Promotional store
- Raw Material store
- Finished Goods store
- Production
- Accounts

Local Area Network (LAN):

All work stations of the corporate Head office are connected by Local Area Network (LAN), which is maintaining IPv4 compliant (Internet Protocol Version 4) and is managed by the IT department of the company to provide round the clock facilities for E-mail, intranet / internet and database access operations to its users. We have High speed internet connection which is connected with Nationwide Fiber Optic Cable and is always available here. We have also a Mikrotik Router and Wi-Fi Router as back-up support at our corporate Head office. We are managing our internet users by using Mikrotik Router and we also have a secure Wi-Fi Zone in the corporate Head office. We have an Email Server which is also connected with our Network.

Website and Social Media:

Our web site is deltapharmabd.com. The website is developed by us using the content management framework. It provides details of organizational overview and company setup of the departments, its functions, subordinate offices, policies, publications, statistical data/information on functional parameters. The web site highlights our products, especially newly launched products and details.

Hardware Solutions:

Mostly our hardware solution comes from our experienced in-house Engineers. They are ready 24x7 to handle any kind of situations. Office network and repair work is mostly done by them. We have upgraded our computers with high configuration hardware. We have a high configuration server which is configured with Linux and Oracle Server. We have Close Circuit camera to monitor our premises both Corporate Office and Plant. Biometric devices are being used to establish better and accessible records of the hour's employee's work and for access control.

Work Flow Automation:

In the year of 2018, we will go for fully automated software system. Our corporate office and plant are connected to our web based software and all depots will be connected soon, so that we can gain unbroken chain of control. All departmental work will be fluent and fast. We are backed by very high capacity server by automation to take full advantage of it. We will go for software mobile version in the near future.

Management Information System (MIS)

Management information system (MIS) is a computerized database of financial information organized and programmed in such a way that it produces regular reports on operations for every level of management in a company. The main purpose of the MIS is to give managers feedback about their own performance; top management can monitor the company as a whole. Information displayed by the MIS typically shows "actual" data against "planned" results and results from a year before; thus it measures progress against goals. The MIS receives data from company units and functions. Some of the data are collected automatically from computer-linked check-out counters; others are keyed in at periodic intervals. Routine reports are preprogrammed and run at intervals or on demand while others are obtained using built-in query languages; display functions built into the system are used by managers to check on status at desk-side computers connected to the MIS by networks. Many sophisticated systems also monitor and display the performance of the company's stock.

Information is one of the most useful resources of a business organization. Computers and information systems have become the essential part of any business. In order that all the functions of a business may be done effectively, there is a great need for implementing effective information system helps in decision making.

Keeping these facts in mind Delta Pharma has setup a MIS team. Like other professional organizations, Delta Pharma use a number of data driven marketing strategies. Therefore, to make right management decision a well-organized data source, data analysis and report is essential. To ensure the reports of MIS team perfect and faultless, we have formed the team consisting of the representative from concerned departments (Marketing, Sales, IT, Accounts, Logistics Management, MRD, HR and Corporate).

To help the core team of MIS, Technical group and advisory team have also been formed. There are dedicated Executives for performing day-to-day activities of MIS team. Besides this, a group of Executives and Managers of other departments are also helping the core team for data analysis and report generation.

- An OTC Proton Pump Inhibitor
- A brand with top quality API (Active Pharmaceutical Ingredient)
- An affordable brand for all hyperacidic patients

BUSINESS OPERATIONS

Contributing to the advancement of Pharma sector in Bangladesh

We want patients to get the better and the highest possible treatment options. To make it happens, we always strive for introducing the latest medicines with better formulation. Apart from that, we also share the latest information about the existing medicines and treatment guidelines from the world recognized medical journals with our prescribers.

Our indoor marketing team is always searching for the innovative molecules and the ideas. Our R&D team is always striving to develop newer, better and more patient friendly formulations.

What we offer:

Manufacturing and Marketing of **Pharmaceutical Finished Products**

- **Brand: 78**
- **Generic: 71**
- **Therapeutic Class: 26**
- **Dosage Form: 118**

Dosage forms those we focus on:

Tablet, XR /SR Tablet and Chewable Tablet

Capsule

Injection

Syrup and Suspension

Delta Pharma Currently produces 71 generics with 118 dosage forms. Delta Pharma offers products from 26 therapeutic category including Antibiotic, NSAID, Anti-Ulcerant, Anti-Hypertensive, Lipid lowering Agent & Combination, Anti-Platelet, Anti-Diabetic, DMARD, Anxiolytic, Anti-Protozoal, Anti-Neuropathic Pain Agent, Anti-Histamine, Anti-Psychotic & Anti-Epileptic, Muscle Relaxant, Anti-Spasmodic, Anti-Emetic, Anti-Scabietic, Anti-Gout Agent, Cough Suppressant, Laxative, Anti-Asthmatic, Anti-Impotence, Anti-BPH Agent, Systemic Alkalizer, Mucolytic Agent and Vitamin and Minerals.

In 2016-2017 fiscal year, Delta Pharma expanded its portfolio with 05 new products and 01 new strength of product. The newly launched products are a DMARD, an anti-histamine, an anti-diabetic, Calcium preparation and a systemic alkalizer. We also strengthen our PPI group by launching Esomeprazole 40 mg capsule (iMAX 40). Now we have the full basket of PPIs & Anti-Histamines.

Customer-first: The philosophy we practice

We do believe "QUALITY" is not confined in the production site of the company. Rather, "QUALITY" is the result of collaboration among development, design, procurement, production, promotion, sales, after-sales service and other areas of business process. That is why we maintain "QUALITY" not only in the manufacturing site, but also in Customer service. We are always trying to do, what customers expect from us. We have also established a systemic approach of customer feedback and rapid response to the customers from our corporate office.

Up gradation of ISO Certification:

Affirmation of "Quality in everything we do"

On 24 April 2017, Delta Pharma has achieved the Certification of ISO 9001:2015 after meeting all the requirements of the standards of the quality management systems. Previously we have achieved ISO 9001:2008 in the year of 2010. This up gradation of ISO certification confirms the day-to-day improvement of the business standard of the Delta Pharma Ltd.

Certificate of Registration

This certificate has been awarded to

Delta Pharma Limited

Road 34, House 501, New DOHS, Mohakhali, Dhaka-1206, Bangladesh

in recognition of the organization's Quality Management System which complies with

ISO 9001:2015

The scope of activities covered by this certificate is defined below

Manufacture, Sales and Export of Pharmaceutical Products

Certificate Number:	Date of Issue: (Original)	Date of Issue:
58789/A/0001/UK/En	24 April 2017	24 April 2017
Issue No:	**Expiry Date:**	
1	23 April 2020	

Issued by: *On behalf of the Scheme Manager*

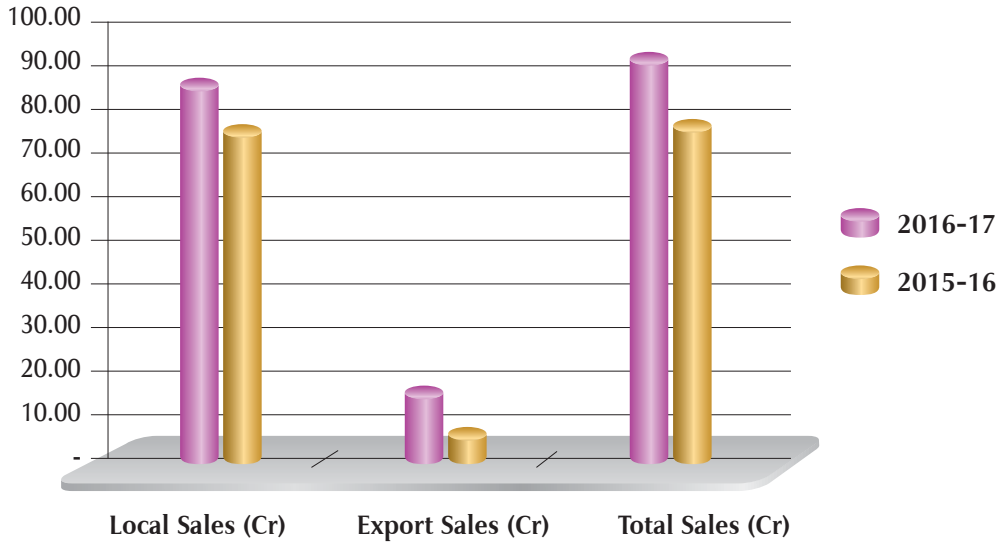
1. Sales Statistics:

Our achievements in Local and International business

In 2016-2017 fiscal year 20.44% growth rate was observed. Growth in local sales was 14.89% and 90.88% growth was from export sales.

Sales Contribution (In Taka)

Sales	2016-17	2015-16	Growth
Local Sales	804,993,615/-	700,663,374/-	14.89%
Export Sales	105,401,987/-	55,219,820/-	90.88%
Total Sales	910,395,602/-	755,883,194/-	20.44%



2. Product Achievement in 2016-2017:

According to IMS 2nd Quarter '2017, ATV is now in the 4th position in Atorvastatin market with 13.97% annual growth which was in 6th position in 2015-2016 Fiscal year. Niagra grasped the 2nd position in Sildenafil market in this fiscal year with 99.90% annual growth, which was 4th in last year. Pyrenol hold its 3rd position with 12.93% annual growth and ETO is in 4th position.

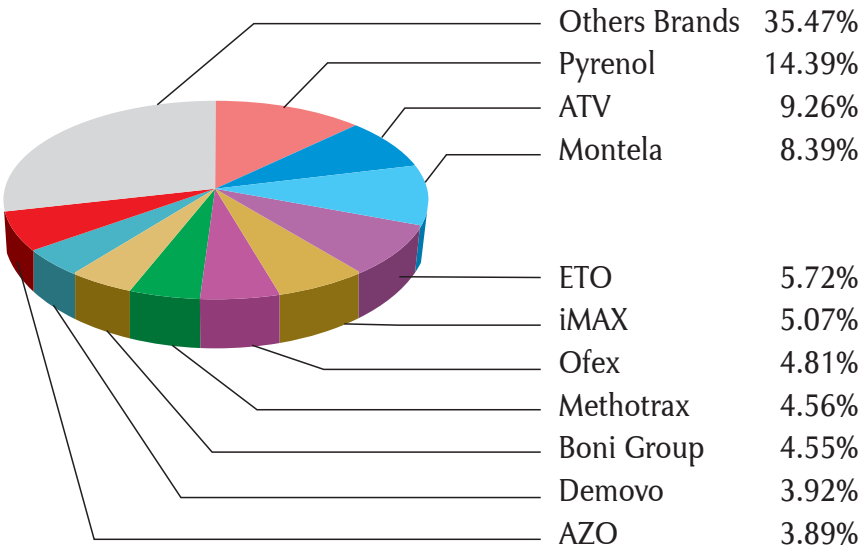
As per the independent survey of prescriptions, Methotrax is in the 1st position like previous years. ATV is in the 3rd position, ETO in the 6th and Ebatrol in the 8th position in the total molecule prescription market in their respective prescription segments.

In 2016-2017 fiscal year, Pyrenol was the leading revenue earning brand followed by ATV, Montela, ETO and iMAX. The contribution of these brands increased than previous fiscal year.

Among the Top 10 brands, only Pyrenol is an OTC brand, other 9 brands are from prescription segment.

Top Brands

SL	Brand	Contribution in 2016-17	Contribution in 2015-16
1.	Pyrenol	14.39%	14.06%
2.	ATV	9.26%	9.15%
3.	Montela	8.39%	7.96%
4.	ETO	5.72%	9.11%
5.	iMAX	5.07%	4.26%
6.	Ofex	4.81%	4.49%
7.	Methotrax	4.56%	4.14%
8.	Boni Group	4.55%	5.28%
9.	Demovo	3.92%	4.12%
10.	Azo	3.89%	5.48%
11.	Others Brands	35.47%	31.95%



3. New Brands:

The fresh blood flow in the Business

Launching of the new brands and new strength is a vital part in pharmaceutical business in Bangladesh. Every brand has a specified life cycle and after that the brand becomes obsolete. This is a natural phenomenon and we have to replace the old brands with newer versions. The new brands are also essential to offer the latest treatment options to the prescribers and also to keep the field force motivated. This year we have launched 05 new brands and one new strength of iMAX capsule (iMAX 40 Cap).

Sl.	Brand Name	Generic Name and Strength
1	Reumaflex Tablet	Hydroxychloroquine Sulphate 200 mg
2	Delfex Tablet	Fexofenadine Hydrochloride 120 mg
3	Linatin M Tablet	Linagliptin 2.5 mg + Metformin Hydrochloride 500 mg Tablet
4	iMAX 40 Capsule	Esomeprazole 40 mg
5	Boni Gold Tablet	Calcium Orotate 400 mg
6	Urodel-K Solution	Potassium Citrate 1500 mg + Citric Acid Monohydrate 250 mg/5 ml

4. CME Program:

A platform for sharing and disseminating the knowledge

As a part of our promotional campaign we have arranged CME Programs in different regions throughout the country. This type of program is very much helpful for us to develop rapport with the doctors and to promote the image of the company also. We are also arranging educational Programs for Non- qualified doctors from this year.

5. PC Conference:

We care all of our customers

We have started to arrange PC conference in 2017 to make a good relation to the non-qualified doctors/chemists which will help to increase our business and also to prevent dishonor of generated prescriptions.

6. Sales Team:

The bread winner of the company

Delta Pharma is proud to have a dynamic, dedicated and highly skilled sales team. To coordinate the administrative activities, the sales team is organized with four divisions and eighteen regions. Currently we have a team of 600 Medical Promotion Officers (MPO) under the supervision of 109 Field Managers. Every day our professionally trained sales colleagues meet with their valuable customers to establish a sustainable good relationship and share up-to-date scientific information and solution of various medical problems with them. Parallel to the business growth of the company, we will increase the size of our sales team regularly.

The sales forces are posted after giving them a rigorous and well-structured training by the highly skilled professionals. Not only that, every month we arrange training programs for the sales forces to keep their knowledge updated.

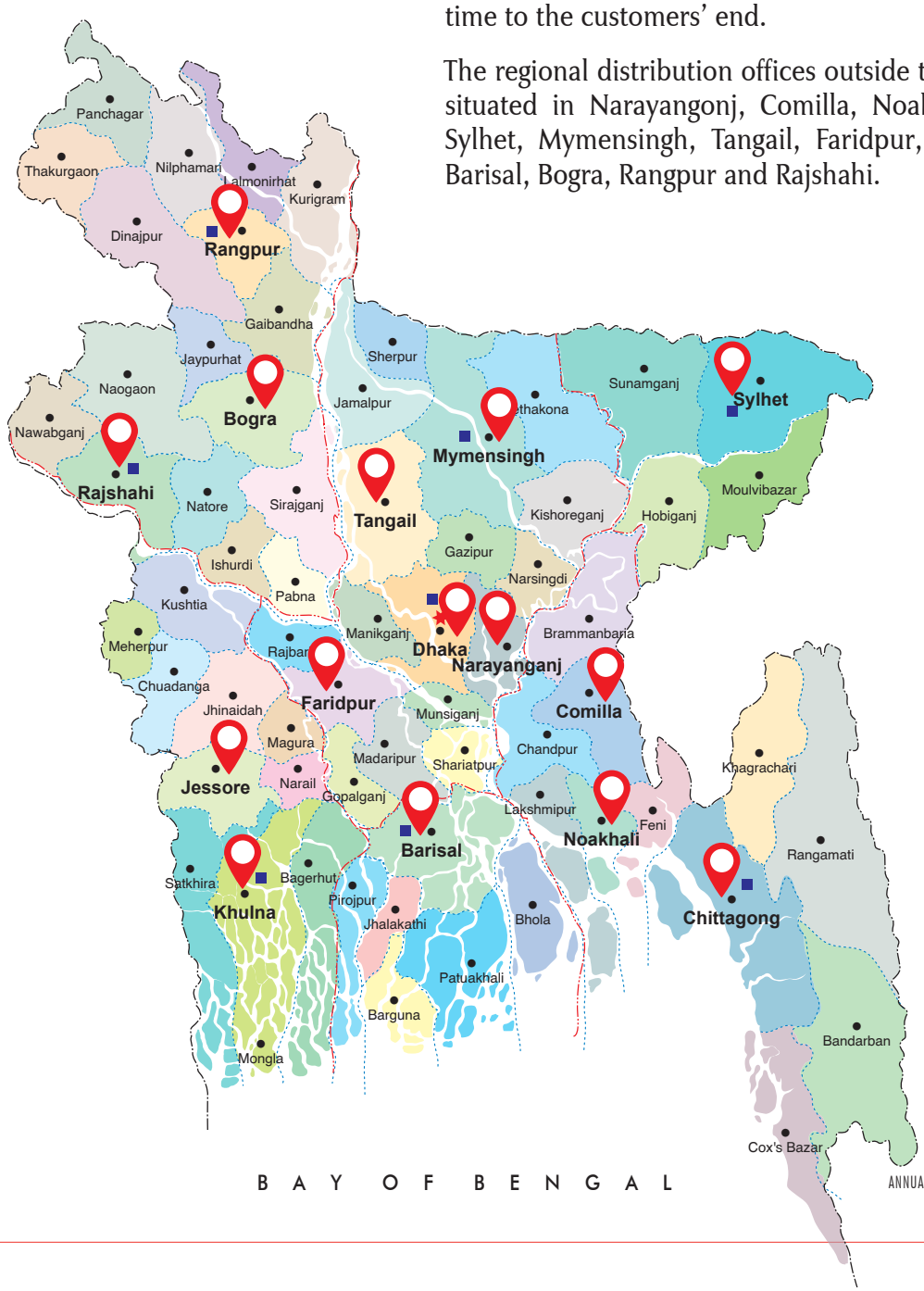
We also regularly arrange Field Manager's Meeting quarterly to train and upgrade their leadership and Managerial skill and responsibilities.

7. Distribution Channel:

All of our efforts are for the better service to the customers

Delta Pharma has its own distribution system which is very dependable and well connected to deliver stocks to each and every chemist in all regions. It has a central Warehouse and 15 Depots to ensure delivery even at the remote periphery within very short time of receipt of orders and these are controlled by the Logistics Management Wing of the company. There are about 250 employees working in the distribution channel to deliver the products from the Plant premises to the customers' shop across the urban and rural areas. Primarily the products are taken into Central warehouse from the finished goods store of plant and then distributed to the regional distribution offices as per their requirements. We have sufficient number of delivery vans to ensure smooth delivery of all categorie of products in time to the customers' end.

The regional distribution offices outside the Dhaka city are situated in Narayangonj, Comilla, Noakhali, Chittagong, Sylhet, Mymensingh, Tangail, Faridpur, Jessore, Khulna, Barisal, Bogra, Rangpur and Rajshahi.



8. Corporate Social Responsibility:

Together we work for our nation

Corporate Social Responsibility (CSR) is a reality of recent decades. CSR is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their family as well as of the local community and society at large.

At Delta Pharma, we consider our responsibility towards our stakeholders, society and environment. With our growth we are creating value towards the society, especially in the healthcare sector of Bangladesh. This year our CSR activities included free medical camp, donation of medicine, Sponsoring different national and international scientific seminars, promoting various health oriented days like World Heart Day, World Hypertension Day, World Arthritis Day, World Diabetes Day, World Osteoporosis Day etc.

Delta Pharma Ltd. always feel encourage to contribute in this purpose in different arena such as donation in free medical campaign, donation for the treatment of severely ill patients, donation to the school, medical journal, national days celebration, building of hospital, Masjid and orphanage etc.

CSR Pricing: Delta Pharma always consider the socio-economic condition of the general people of Bangladesh during pricing of the products. Keeping the product quality highest, we always keep the price of our product little lower than the standard market pricing situation. Not only that, to keep the price of the product affordable for the customers, many times we sacrifice our profit margin also through different strategies.

Participating in Academic Conference: Like other years, we have participated in different international and national academic conferences in this year also.

Other Contributions: Donation to the schools, medical journals, national days celebrations, building of hospitals, Masjids & orphanages etc. and promoting various health oriented days like World Heart Day, World Hypertension Day, World Arthritis Day, World Diabetes Day, World Osteoporosis Day etc.

Empowering Women: The main aspect of women empowerment is ensuring the equal rights of women in the working field. From the very beginning, Delta Pharma is contributing in women empowerment of the local society by opening the working opportunities for the women. Majority of the production workers at plant are women who were unemployed before the establishment of Delta Pharma and who are contributing to their families and to their society.

Support to the CSR program in Bhutan: We have attended in the Government CSR program at Bhutan. We have committed to donate medicines worth Tk. 16 lacs through Government initiative of Bangladesh.

Support to the Rohingya: Delta Pharma has extended their hands of support to the helpless Rohingya people by providing medicines through different organizations. The employees of DPL also donated their one day basic salary to the Rohingya.

Medicine support to others: We have also provided medicine in Hazz Camp, Eztema Camp and Flood affected areas, regularly providing medicine support to the Free Medical camps organized by the different organizations.

INTERNATIONAL BUSINESS OPERATION VISION 2020!!!

Delta Pharma's International business operation set it's VISION for 2020 to win African markets and maximizing its existing business in Asian region by introducing newer molecules and taking the advantage from the TRIPS in between. We have a mission to catch the local business turn over by 2025. Though it's not an easily achievable one but we believe that its very much possible if we focus on certain development issues and necessary investment is possible.

A. Win Africa:

We are determined to tap into the African markets which have a huge potentiality for the company like us. We have started the process already by attending a sourcing Trade Fair at Ghana, West Africa in October '2017. We have already got some connection and working to continue with the product registration there. We are also planning to attend at least 2 such sourcing fair in the East Africa as well within 2018. We will give deep concentration to develop the African Market and have already established some contacts to start negotiation and registration process. We are expecting that Africa will start contributing in the Sales starting from 2nd Quarter of the Year 2018.

B. Asia Consolidation:

B1. PHILIPPINES: Its is one of our main revenue earning market, we had started collaboration with Biomed Pharma Inc. since 2009 to register and import the Product Delta Pharma in Philippines. We got 38 products registration with FDA Philippines and among these products we are having continuous business with INHIBITA 40 capsule, Ofex 200, Ofex 400, Ofex PFS, Liosal and ATV Plus tablet. We are ready to start registering new products right after getting the cGMP approval from the FDA Philippines that we are expecting to get within December 2017.

B2. VIETNAM: This is our highest revenue earning market since beginning and its business volume is increasing steadily. We are in a process to consolidate more business from this market by introducing more products registered with the VDA (Vietnam Drug Authority). In this process we also have signed an agreement with NIDQC for conducting BE Study of Azithromycin PFS with the Innovator brand Zithromax PFS of Pfizer, Italia for renewal of registration of the product with VDA.

B3. CAMBODIA: This country is one of the new addition in our exporting country's list within last few years. Though the market is relatively smaller than Vietnam and Philippines but it has great potentials as there are a few local Pharmaceutical Manufacturers. Our business progress is also encouraging in terms of volume but price competition is one of the threatening factors in business as the registration process is still much easier and less expensive thus competition is huge from the small companies of the neighboring countries with lower prices.

B4. MYANMAR: This country was our first destination in the regulatory export initiative started under the guidance of our founder Managing Director Dr. Omar Faroque in 2006.

But due to the long time delay in getting registration with the FDA Myanmar, we had less concentration to this market for several years. A couple of years back we send a team in a Pharmaceutical Fair to re-explore the opportunity and strengthen the communication to get some business as this is a huge market for Pharmaceutical Exporters. Myanmar has only 2/3 manufacturing company for some very ordinary product. Market is huge in volume but only limiting factor is pricing of the products. We have decided to set this market as OTC for the common products with minimum margin and go for volume. Finally, this strategy worked and the volume is increasing. Besides we are also in process of registering newer prescription only products like Sitalia M, Linatin, Nebinor etc. with a better profit margin to have a balance in profit volume. We are expecting that this will give us a remarkable business success in the coming years.

B5. SRI LANKA: This Country was also not giving us expected business due to wrong selection of the partners, and some slow government processing of agency Transfer and registration renewal and new registration approval by the NMRA (National Medicine Regulatory Authority). Finally, we have some partial success after waiting for more than two years. If we keep our focus on the registration and regulatory issues on a regular basis we are expecting that this market will give us huge revenue. There are some threats as well as the government is already implementing MRP rules for essential medicine as a commitment of providing affordable health care for its citizen which can force us to sacrifice some profit to continue the business. Secondly NMRA is restricting registration of products which are already having twenty or more brands registered with NMRA. We are focusing on the newer molecule for launching in this market to tap into the immense business potentiality. We are expecting a substantial breakthrough in business progress from Sri Lanka in 2018.

B6. GUATEMALA: This country has a very small market but the products prices are very good and profitable one. We got some products registered in this market and the volume of business is increasing day by day. Growth in this country is good but needs our regular communication to increase the business and that we are doing.

C. What New to Explore:

1. Contact manufacturing for export market, market specific newer molecules (such as Anti-Malarial and Anti Viral products for Africa; Newer patented molecule for the Asian Markets etc.).
2. Exploring western Africa and French speaking East African countries in 2018 with special focus on Tanzania, Uganda, Ethiopia, Somalia and Malawi.
3. Other than this, we will also explore Latin American Countries and the Caribbean Islands specially PERU and Chili.

D. Achievements in 2016-2017

We had achieved a growth of 90.88% over the previous financial year. And we had achieved the land mark of One Million USD. Some long expected business growth we achieved in Myanmar by registering some new molecule.

E. Limitations/Threats/Opportunities

As a mid-level Pharmaceutical Company, we have some limitations but in spite of that we have much more opportunities than our limitations. One of our major threat is the stringent regulatory system in different countries. Regulatory requirements for different countries are changing every now and then and it becomes the major threat for us. But we are moving forward and facing the challenges by developing our knowledge, dedication and also renovating and installing new machine and technology at our plant for facing the ever changing regulatory need. Insha Allah we will face the challenges and keep our upward trend in the coming year as well.

Comparative business scenario of our major revenue earning Countries like Philippines, Vietnam and Cambodia are given below for FY 2016-2017 and FY 2015-2016.

Name of Country	2016-17		2015-16		Growth
	USD	BDT	USD	BDT	
Philippines	317,170	25,049,883	235,827	18,320,303	36.73%
Vietnam	533,032	42,138,855	293,777	22,853,803	84.38%
Cambodia	84,235	6,663,189	83,930	6,554,955	1.65%
Myanmar	238,574	18,888,202	30,610	2,367,487	697.82%
Guatemala	14,681	1,161,593	29,859	2,324,016	-50.02%
Srilanka	102,260	8,008,029	18,990	1,472,246	443.93%

1st Time in Bangladesh

Navafil

Avanafil 50 mg & 100 mg Tablet

♥ Ideal Treatment for Erectile Dysfunction
♥ Ensures Onset of Action within 15 minutes
♥ No Dose Adjustment is Required for Diabetic Patients

MAJOR HIGHLIGHTS OF 2016-2017

- We have awarded with the ISO (9001:2015) certificate in this year in recognition to our constant commitment for ensuring the quality and systemic organization.
- Introduced 05 new products and 01 new strength of product in the existing line in different dosages forms.
- We have started our preparation to build a dedicated cephalosporin building during this year.
- We have procured machinery and equipments for increasing production capacity. We have also equiped our QA and QC by importing new modern equipments. Mean while we have started to build a new store building adjacent at our plant.
- We have registered 09 new products in Myanmar and 04 new products in Cambodia during this year.

POST BALANCE SHEET DEVELOPMENTS

In the first & second quarter of FY 2017-18, we have launched 02 new products and 5 new strengths of products in our product line and another 05 products are in process for launching.

Sl. No.	Brand Name	Pack Size	Launching Date
1.	Navafil 50 Tablet	8's	16-08-2017
2.	FeonA FZ Tablet	30's	16-09-2017
3.	Navafil 100 Tablet	8's	24-10-2017
4.	Meera Syrup	100 ml	07-11-2017
5.	Montela 4 Tablet	30's	07-11-2017
6.	Delfex Suspension	50 ml	07-11-2017
7.	Doxobid 200 Tablet	30's	07-12-2017 (planned)

We have registered one new product in Cambodia and two new products in Myanmar. We have attended Ghana Trade Show to explore the business in Ghana and also started our business exploration journey in CIS countries, African Market and Latin American Countries.

FUTURE PLAN

Considering the growth factors of Pharma Market, Delta Pharma has taken preparation of both vertical and horizontal expansion of business initiatives for grabbing future opportunities. The following major initiatives which need to be informed to our valued shareholders.

a. API Project

We have formed a new subsidiary Company of DPL named Delta API Ltd. (DAPIL). Apart from manufacturing API, the marketing of API will also be done through this new company. Mean while we have got an "A-category" plot at API Industrial Park, BSCIC, Gazaria, Munsiganj. The plot number is A-23 and the size of the plot is 3.27 Acres. We have already paid the first plot installment of 1,54,20,374.00 taka (One core fifty four lac twenty thousand three hundred and seventy four taka) only and also paid the required money for constructing the Central ETP there.

We have formed a Core Working Group and a Technical Advisory Group to expedite this project. We are now working to establish the R&D lab for Delta API Ltd. Primarily we have decided to set up the R & D lab to the Pakundia, Kishoregonj at the premises of DPL plant. We will transfer this R&D lab at API park of Gazaria, Munshigonj after the completion of API factory.

We have started negotiating with some foreign API companies for Strategic Business Partnership. We have started the sourcing of machineries, equipments and the technologies from different countries. The marketing feasibility study of selecting molecules has been started. We have primarily selected some molecules and the selection process is going on. We have also recruited some technical persons dedicated for Delta API Ltd.

b. New Products:

With the increase of aging population and rapid urbanization of Bangladesh, the prevalence of chronic disease such as diabetes, cardiac disease, arthritis and asthma are increasing. Considering the future market demand, in the coming years, the Delta Pharma is planning to launch new and advanced molecules for the management of chronic diseases. We are searching for the new and innovative molecules all the time that are coming in the world market. But at the same time, we perform a rigorous and highly methodical market feasibility study before launching a new product in the market. We have started to build the separate cephalosporine building and also have decided to modernize the general production floor by relocating the Tablet, Capsule, Syrup and Powder for Suspension section with all modern facilities by 2018. We are actively thinking to establish the cream and ointment section in our plant by 2018.

c. New Dosage Form:

We are also thinking to introduce new dosage forms in near future. Hopefully we will introduce at least one new dosage form in our plant. We are also working on improving the existing formulation through research and development.

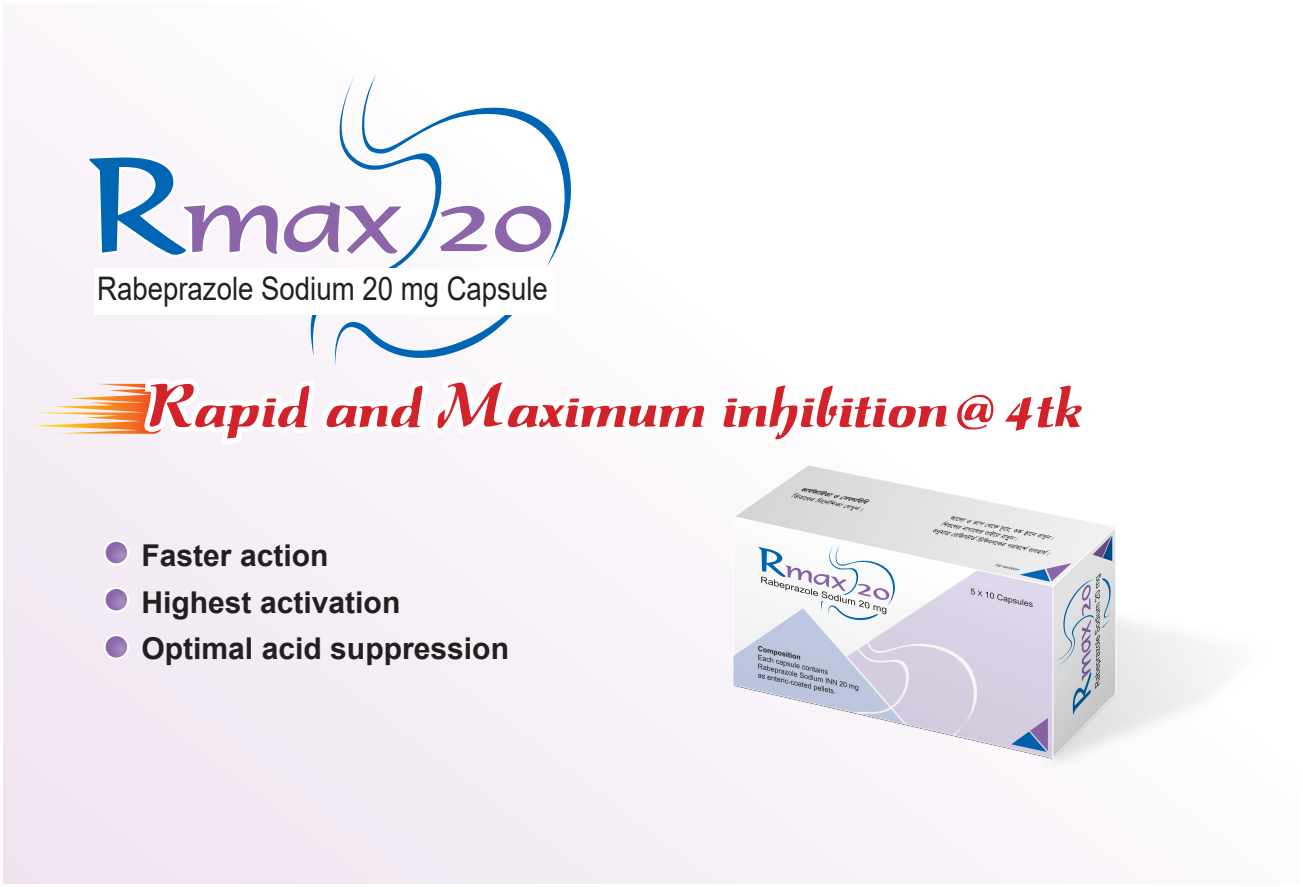
We are searching for some new innovative high tech products of foreign origin for adding them in our local market sales business.

d. Industrial Plot at Tongi:

The company has applied to the RAJUK authority in the past for an Industrial plot at Tongi, Gazipur and a plot measuring one Acre has been allotted for Delta Pharma. After the total payment has been made to the RAJUK authority, they have registered the long term lease deed with the Delta Pharma Limited. This plot will be utilized for the further enhancement of business of the company.

e. Delta Health Care, Purbachal Limited:

Our associated company, Delta Limited has applied to the RAJUK authority in the past for a hospital plot at Purbachal New City Project. The RAJUK authority has informed that they have decided to allocate one hospital plot of nearly One Acre to establish the Delta Health Care, Purbachal Limited. Delta Pharma Limited will be a major partner and shareholder of that project along with Delta Limited.



DIRECTORS' REPORT

Dear Shareholders,

As-Salamu-Alaiqum.

On behalf of the Board and Management, I welcome you all at the 10th Annual General Meeting of Delta Pharma Limited. We have the pleasure to place herewith the Directors' Report and the Auditor's Report together with the Audited Financial Statements of the company for the year ended 30 June 2017 for your consideration.

Operating Performance
Business Outlook- A General Overview

Presently, the pharma industry of Bangladesh meets 98 percent of the local demand and exports to more than 150 countries. Greater affluence among the poorest to middle income socio-economic group and a shift in disease pattern are expected to drive the growth of healthcare expenditure in Bangladesh.

Bangladesh's disease profile is expected to change in two major ways: the rise of burden of non-communicable diseases and a gradual move from acute to chronic diseases.

The country's ageing population is increasing: by 2036 about 25 percent of the population will be over 50 years of age.

Besides, drug purchasing power is likely to rise with sustained growth in income as Bangladesh advances into the league of middle income countries, according to the analysis.

The industry also has growth opportunities in the international domain - enough to emerge as the next thrust sector after RMG.

With backward integration, quality research and skilled human resources, Bangladesh's pharmaceutical industry can emerge as a world leader in producing off-patented generics medicine.

Globally, healthcare providers are increasingly endorsing generic drugs and Bangladesh can capitalise on the trend to penetrate the markets in the US, Germany, France, the UK and Japan.

Global generics were valued at $168 billion in 2013, and are expected to reach $380 billion by 2021.

Emerging markets also hold promise for Bangladesh's exports: their spending for pharmaceutical products stood at $249 billion in 2015 and is expected to reach $345-$375 billion by 2020. While most of the emerging markets in the low and middle income countries are dominated by multinational pharmaceutical companies, Bangladeshi companies have the capacity to penetrate these markets.

Since the beginning of the decade, the pharmaceutical industry in Bangladesh has experienced double-digit growth driven by large consumer base, improved health consciousness and a supportive regulatory framework.

Two effective policies have accelerated the growth of the sector. One was the Drug Control Ordinance 1982, which banned foreign companies from selling imported pharmaceutical products in the country.

The other was the relaxation of the World Trade Organisation's agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which permitted Bangladesh to reverse engineer patented generic drugs. The relaxation of TRIPS for least-developed countries has been extended to 2032.

In fiscal 2016-17, the annual sales of pharmaceutical products stood at Tk 18,755 crore. "This is a huge jump for the sector as the industry size was only Tk 173 crore in 1981."

"In one sentence, the pharmaceutical sector is the most successful sector in Bangladesh,"

In line with the growth of the market, everybody has invested in quality, lab equipments and human resources to raise the standard to international level, which enabled local firms to enter developed and highly regulated markets, he said.

Bangladesh's pharmaceutical industry is dominated by local companies where Multinational companies enjoy a 10.5 percent market share and are focused on some specialized products. At present, oncology drugs are imported but some of the local players like Square, Beximco, Health Care, Renata and ACME have heavily invested in the segment, according to the analysis. Given the fact that local companies can manufacture quality products at affordable price, oncology segment will emerge as an attractive growth segment in future.

Bangladesh, however, relies on imports for raw materials. More than 90 percent of raw materials are imported every year which worth Tk 4,700 crore. As a result, the industry is vulnerable to external shocks.

To address the issue, the government has started the process of constructing an Active Pharmaceutical Ingredient (API) industrial park in Gozaria, Munshiganj. At least half of the companies that got plots in the API park where our company Delta Pharma Ltd. has also got a plot which are expected to go into operation by 2020.

Once the API park is completed, Bangladeshi companies would be able to source at least half of their raw materials from the API complex, reducing reliance on imports, said a senior professional of the pharmaceutical sector.

Corporate Governance

Being a pharma company Delta Pharma emphasizes on quality, compliance and accountability, which are the essence of corporate governance. Sincere practice of corporate governance plays an important part towards the company's continued growth and success. The company has always strived to maintain the standard of corporate governance and business conduct so as to create and maintain sustainable shareholder's value, safeguard stakeholders' interest. Delta Pharma has been providing and maintaining quality products and best value to its consumers. To achieve these objectives the Board of Directors of the company always ensuring highest standards of corporate governance to keep the Company's business integrity and performance on the right track. Being a responsible corporate entity, Delta Pharma maintains adequate transparency and encourages sound business conduct both in its in-house practices and in its external relationship with the community as well as stakeholders.

BOARD OF DIRECTORS:

Constitution:

The Delta Pharma Board is comprised of 08 (eight) Directors with the diversity of knowledge, exposure and healthcare understanding about the Company's business which, combined with its diversity of culture and background, stands as the perfect to perform and deliver.

Role & Responsibilities:

The Directors of the Board are appointed by the shareholders at the Annual general Meeting (AGM) and accountable to the shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the company's financial position and ensure that its activities, accounts and asset management are subject to adequate monitoring and control in line with the Company's Articles of Association. In light with these the prime responsibility of the Board is to formulate required policies to develop and strengthen the company's performances towards increase shareholders value. The Board also ensures that the Company's policies & procedures and Codes of Conduct are understood, implemented and maintained at all levels and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

Board Meetings and Attendance

The Articles of Association (AOA) of the Company requires the Board to meet at least four times in a year. Dates for Board meetings in a year are decided in advance and notice of each Board meeting is served in writing well ahead of the meeting. Such notice contains detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. Total 07 meetings of the Board of Directors were held during the year (1st July 2016 to 30th June 2017).

The attendance record of the Directors is as follows:

Name of Directors	Meeting Attended
Mrs. Ferdousi Akhter	7
Dr. Md. Zakir Hossain	7
Mrs. Nadira Begum	5
Mrs. Nazneen Akhter	7
Prof. Dr. Abdul Bayes Bhuiyan	7
Mrs. Monira Jahan	7
Mr. Golam Farook	7
Mrs. Rifat Hossain	7

Delegation of Authority for the Chairman and Managing Director

As per the Corporate Governance Guideline the roles of the Chairman and Managing Director are separate and delineation of responsibilities is clearly established and agreed by the Board to ensure transparency and better corporate governance. The Chairman is a Non-Executive Director. The Managing Director is the CEO and authoritative head for day-to-day management in the Company. He acts reasonably to ensure that Delta Pharma operates it's business as per the Memorandum and Articles of Association, decisions made by the Board and Shareholders, as well as according to Company's policies and procedures and applicable regulatory laws and legislation of the country.

Access to Information

The Board believes that the decision-making process is highly dependent on the quality of Information furnished. In furtherance to this, the Company has an Audit Committee and every Director has access to all information within the Company. The Directors are continually updated about the Company's business operations and the regulatory and industry specific information in which it operates. These updates are given by way of written briefings and meetings with senior executives of the company.

Board Committees

To facilitate the Board decision, effective governance, a number of Committees have been formed by the Board and has delegated certain responsibilities to the Committees. The role of Board Committees is to review and appraise in the respective areas and then to advise and make recommendations to the Board. Each Committee operates in accordance with the Terms of Reference (ToR) approved by the Board and Corporate Governance Guidelines. The Board reviews the ToR of the committees from time to time. The Board appoints the members and Chairman of each committee. A brief description of each Committee is presented below:

Audit Committee

The Audit Committee as a sub-committee of the Board and has jurisdiction all over the Company. The Audit Committee is comprised of 05 members of the Board. The Audit Committee assists the Board in discharging its regulatory responsibilities with respect to internal control, financial reporting, risk management, auditing matters and Company's processes of monitoring compliance with applicable legal & regulatory requirements and the Code of Conduct as per the provisions of Corporate Governance Guideline. The ToR of Audit Committee is approved by the Board. The Audit Committee met 02 times during the year (1st July'16 to 30th June'17). The Audit Committee report on the reporting period is presented here.

Annual Business Plan Evaluation Committee

The Board has formed Annual Business Plan Evaluation Committee with 07 members from the Board of Directors and is entrusted to review the Annual Business plan, recommend to

the Board for approval, regular monitoring and supervision of the progress of the business operation and also the overall development of the company. They have the responsibility of analyzing the productivity, profitability, marketing strategies, product inclusion and phase-out and also to monitor the other parameters of sales activities like, introducing new products, product availability, chemist coverage, relationship with the Prescribers, shelving status and doctor visit etc. This committee has met 1 time during the year (1st July'16 to 30th June'17).

Executive Management

The Board has formed an Executive Management which is headed by the Managing Director. The Managing Director is supported by professionals of well trained and experienced team consisting of Executive Directors, Deputy General Managers, Assistant General Managers and Senior Managers in the hierarchy of management. The Board reviews an organogram with modern features ensuring clear lines of delegation of authority and reporting for accountability for effective decision making, evaluation of performance on merit for both rewarding and disciplinary action. The Executive Management is responsible for preparation of yearly budget and annual business plans as well as Company's goal for every division and departments and are held accountable for performance to the Board. The Executive Management is aided by committee(s)/ sub-committee(s) in carrying out its functions.

Financial Reporting

Delta Pharma has strong and professional financial reporting procedures. Financial statements are prepared in accordance with International/Bangladesh Financial Reporting Standards (IFRS/BFRS), the Companies Act, 1994, and other applicable financial legislations. These financial statements, once prepared, are reviewed initially by Head of Finance and the Managing Director and then by the Audit Committee. The annual audit is conducted by the external auditors, who are appointed by the Board of Directors followed by the Shareholders' approval in the Annual General Meeting.

Internal Control Over Financial Reporting

Preparing reliable financial information is a key responsibility of Delta Pharma management. The company has strong internal control over financial reporting, designed to provide reasonable assurance that the company's financial statements are reliable and prepared in accordance with the applicable Accounting Standard.

Supply Chain Sustainability

Supply Chain management is one of the major elements of management functions as well as success of the company. As a pharma company, ensuring the availability of raw materials and finished goods in appropriate time and manner are the key to sustainable sales growth. We have been strengthening this area with appropriate manpower along with training and motivation.

Related Party Transactions

The Audit Committee reviews all the related party transaction if needed. If any party casts significant influence over the day to day affairs/matters and also holds the controlling power on the management affairs of the Company and any transaction made during the year with the party related therewith is termed as related party transaction as per BAS-24 "Related Party Disclosure". During the year under report there are no such related party transactions that exist having influence to the company's business.

Risk and Concern

We have several risks, such as, quality risk, infrastructural risk, reputational risk, etc. Risk management is always a high priority issue in Delta Pharma. We identify and manage risks to reduce the uncertainty associated with executing our business strategies and maximizing opportunities that may arise. Risks can take various forms and can have material adverse impact on the Company's reputation, operations, human resources and financial performance. The Company is always aware about mitigation of enterprise level risks.

Sales and Growth in 2016-2017

The domestic sales of the Company in 2016-2017 were over 800 million taka. This is an appreciable 14.89% growth over in 2015-2016. A local sale is the major contributor to revenue with 88.42% of sales being made in our local market. The revenue from export sales in 2016-2017 was Tk. 105.40 million which is 90.88% higher than exports of 2015-2016.

Review on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Operating expenses consist of material both raw and packaging cost, personnel expense, maintenance, selling & distribution cost, marketing expense, and depreciation. Operating expense for 2016-2017 was BDT 386.90 million with 15.42% increase compared to last year. As a combined effect of the revenue growth and increase in operating expenses, operating profit for the year 2016-2017 remained stable with BDT 103.43 million increases from last year. Net profit margin for the year 2016-2017 was 4.90% compared to 4.36% in last year.

FINANCIAL HIGHLIGHTS

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Gross Turnover	910,395,602	755,883,194	671,210,794	606,371,268	577,325,721
COGS	420,067,779	317,379,817	295,359,823	274,560,919	257,908,865
Gross Profit	490,327,823	438,503,377	375,850,971	331,810,349	319,416,856
Net Profit after Tax	44,579,946	32,962,910	27,641,321	25,050,684	2,154,396

Contribution to the National Exchequer

During the year (July'16 to June'17) Tk. 159.79 million paid to the National Exchequer in the form of Value Added Tax (VAT), Advance Income Tax (AIT) etc.

Prospects in 2017-18 and beyond

By this time, we have awarded with an industrial plot at Gazaria, Munshiganj for API plant and we have formed a subsidiary company in the name of "Delta API Limited" to start the API business activities. Besides this strengthening our sales and marketing force, improve product line, bringing more efficiency in our distribution channel and better management of our resources will be the major focus in the next year. We aspire to bring more innovative ideas in the sales and marketing lines as well as introduce innovative digital services through strategic partnerships in the days ahead. To ensure long term sustainability of the business, more regulatory reforms, through a consultative and collaborative approach, are anticipated in the coming years. We are committed to use our best effort for maximizing the company's wealth and shareholders' value.

Dividend Policy

The Board of Directors has been following a steady dividend policy which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company. The Board believes that it is in the best interest of Delta Pharma to draw up a long-term and predictable dividend policy.

Election of Directors

As per Article 113 & 114 of the Articles of Association of the company, Mrs. Monira Jahan and Md. Golam Farook will retire in this AGM and as per Article 115 of the Articles of Association of the company, being eligible, have offered themselves for re-election and the Board of Directors also recommended for the same.

Dividend

As per the audited financial statement for the year ended on 30 June 2017 and with the recommendation of the Audit Committee, the Board of Director recommended total 05% cash dividend for the year ended 30 June 2017 for the shareholders of the company and this is placed for your consideration.

Appointment of Auditor

Ahsan Manzur & Co., Chartered Accountants, Auditor(s) of the Company will retire at this Annual General Meeting. Ahsan Manzur & Co., Chartered Accountants has conducted company's audit for the last year. The Board of Director recommended the M/s Ahsan Manzur & Co. Chartered Accountants as per recommendation of Audit Committee for appointment as Auditor(s) for the year 2017-2018 and they will retire in the next Annual General Meeting. This is placed for your consideration with re-fixation of their remuneration.

Holding the position of the Managing Director of other companies by the Managing Director of Delta Pharma Ltd.

The Managing Director of Delta Pharma Ltd. needs to hold the position of the Managing Director of other companies for the betterment of our company. As per the decision of the Board of Directors of the company, he has been nominated for the position of the Managing Director of Delta API Ltd, another subsidiary Private limited company formed with the initiative of Delta Pharma Ltd. This nomination of holding the position of the Managing Director of other companies by the Managing Director of DPL is placed for your consideration.

Management Appreciation

Delta Pharma believes in transparency and accountability to the stakeholders and as a whole to the society. The Company also believes that Corporate Governance is a journey and not a destination and it needs to be continuously developed, nurtured and adopted to meet the varying needs of a modern business house as well as the justified aspirations of our valued shareholders and stakeholders. The Board of Directors recognizes that the steady performance of the year was possible due to the support of the innumerable stakeholders – the shareholders, prescribers, chemists, who have kept the Company on the right track through their continuous feedback, motivation and close engagement. Accordingly, through the AGM, the Board profoundly acknowledges the cooperation and assistance that it has received from the Government of Bangladesh; Drug Administration; Registrar of Joint Stock Companies & Firms (RJSC); Bangladesh Securities and Exchange Commission (BSEC); Bankers, Insurers and financial institutions; employees of our company and other business partners through out 2016-17. It is because of their support and inspiration that Delta Pharma has been able to attain the achievements it finds itself today. The Board would like to acknowledge our prescribers, chemists and consumers for their trustworthy support and loyalty.

Finally, we want to express our sincere thanks to you all and looking forward to your continued support and cooperation in the future as well.

With sincere regards,

On behalf of the Board of Directors

F. akhter

Mrs. Ferdousi Akhter
Chairman

Some remarkable moments

9th Annual General Meeting 2016

9th Annual General Meeting 2016

9th Annual General Meeting 2016

9th Annual General Meeting 2016

Annual Marketing & Sales Conference 2017

Annual Marketing & Sales Conference 2017

Some remarkable moments

Annual Marketing & Sales Conference 2017

Annual Marketing & Sales Conference 2017

Delta Pharma team visit to India

Delta Pharma team visit to China

Delta Pharma perticipate in a Pharma Fair in Ghana

Delta Pharma Delegation in Sri Lanka

Some remarkable moments

Delta Pharma in Myanmar

Delta Pharma in Myanmar

Philippines FDA Inspectors in Delta Pharma Plant

Philippines FDA Inspectors in Delta Pharma Plant

Delta Pharma Delegation in Vietnam

Delta Pharma Delegation in Vietnam

Some remarkable moments

Delta Pharma Delegation in a meeting with USP-PQM team at Thailand

Delta Pharma Delegation in a meeting with USP-PQM team at Thailand

New Product Launching

Delta Pharma team visit at our API Project

The Board of Directors visit at the new Cephalosporin Site of the Plant

The Board of Directors visit at the new Store Building of the Plant

AUDITORS' REPORT TO THE SHAREHOLDERS OF DELTA PHARMA LIMITED

We have audited the accompanying financial statements of Delta Pharma Limited, which comprise the statement of financial position as at 30 June 2017, and the statement of 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 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 (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.

Auditors 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. 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 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, we consider internal control relevant to the entity's preparation of the 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

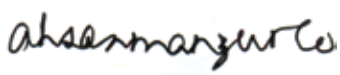
'In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the financial position of Delta Pharma Limited as at 30 June 2017 and of its financial performance and its cash flows for the year then ended and comply with the Companies Act 1994 and other relevant laws where applicable.

We also report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account.



Place: Dhaka
Date: 24 November, 2017

Ahsan Manzur & Co.
Chartered Accountants

Delta Pharma Limited

Statement of Financial Position

As at 30 June 2017

Particulars	Notes	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
Assets			
Non-current assets			
Property, plant and equipment	4.00	285,750,805	234,921,056
Capital work-in-progress	5.00	92,360,553	76,392,584
Intangible assets-development phase	6.00	51,792,421	58,189,851
Investment	7.00	81,353,441	62,500,000
Total non-current assets		**511,257,220**	**432,003,491**
Current Assets			
Inventories	8.00	238,486,495	267,156,116
Trade and other receivables	9.00	99,600,006	72,994,428
Advances, deposits and pre-payments	10.00	102,012,251	100,600,832
Cash and bank balances	11.00	10,865,461	14,276,303
Total current assets		**450,964,213**	**455,027,679**
Total assets		**962,221,433**	**887,031,170**
Equity and liabilities:			
Shareholders' equity			
Share capital	12.00	328,750,000	328,750,000
Share money deposit		12,629,000	3,665,000
Retained earnings	13.00	(55,371,422)	(83,513,868)
Total shareholders' equity		**286,007,578**	**248,901,132**
Liabilities			
Non-current liabilities			
Long term loan & lease obligation (net-off current portion)	14.00	117,346,698	136,236,108
Deferred tax liabilities	15.00	19,344,206	20,040,072
Total non-current liabilities		**136,690,904**	**156,276,180**
Current Liabilities			
Accounts payable	16.00	55,059,354	49,301,696
Short term loan	17.00	244,670,386	219,250,055
Current portion of long term loan	18.00	78,943,538	76,230,708
Profit payable	19.00	19,151,640	19,310,970
Liabilities for expenses	20.00	136,462,763	101,581,850
Provision for taxation	21.00	5,235,270	16,178,577
Total current liabilities		**539,522,951**	**481,853,857**
Total liabilities		**676,213,855**	**638,130,037**
Total equity and liabilities		**962,221,433**	**887,031,170**

The annexed notes 01 to 29 form an integral part of these financial statements.

Mrs. Ferdousi Akhter
Chairman

Dr. Md. Zakir Hossain
Managing Director

Dr. A. K. M. Muslem Uddin
Executive Director (Commercial)
&
Company Secretary (In-charge)

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

Ahsan Manzur & Co.
Chartered Accountants

Place: Dhaka
Date: 24 November, 2017

Delta Pharma Limited

Statement of Comprehensive Income

For the year ended 30 June 2017

Particulars	Notes	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
Revenue	23.00	910,395,602	755,883,194
Cost of sales	24.00	(420,067,779)	(317,379,817)
Gross profit		**490,327,823**	**438,503,377**
Administrative, selling and distribution expenses	25.00	(386,900,199)	(335,219,362)
Profit from operation		**103,427,623**	**103,284,015**
Finance costs	26.00	(50,102,383)	(59,040,576)
Profit before income tax		**53,325,241**	**44,243,439**
Income tax expense	27.00	(8,745,295)	(11,280,529)
Net profit/(loss) after tax		**44,579,946**	**32,962,910**
Basic Earnings Per Share (per value Tk.100)	28.00	**13.56**	**10.03**

The annexed notes 01 to 29 form an integral part of these financial statements

Mrs. Ferdousi Akhter
Chairman

Dr. Md. Zakir Hossain
Managing Director

Dr. A. K. M. Muslem Uddin
Executive Director (Commercial)
&
Company Secretary (In-charge)

This is the Statement of Comprehensive Income referred to in our report of even date annexed.

Place: Dhaka
Date: 24 November, 2017

Ahsan Manzur & Co.
Chartered Accountants

Delta Pharma Limited
Statement of Changes in Equity
For the year ended 30 June 2017

Particulars	Share Capital	Retained Earnings	Amount in Taka Total
Balance at 30 June 2015	275,000,000	(88,976,778)	186,023,222
Net profit for the year	-	32,962,910	32,962,910
5% Stock dividend	13,750,000	(13,750,000)	-
5% Cash dividend	-	(13,750,000)	(13,750,000)
Right issue 5:1R	40,000,000	-	40,000,000
Balance at 30 June 2016	**328,750,000**	**(83,513,868)**	**245,236,132**
Balance at 30 June 2016	328,750,000	(83,513,868)	245,236,132
Net profit for the year	-	44,579,946	44,579,946
5% Cash dividend	-	(16,437,500)	(16,437,500)
Balance at 30 June 2017	**328,750,000**	**(55,371,422)**	**273,378,578**

The annexed notes 01 to 29 form an integral part of these financial statements.

Mrs. Ferdousi Akhter
Chairman

Dr. Md. Zakir Hossain
Managing Director

Dr. A. K. M. Muslem Uddin
Executive Director (Commercial)
&
Company Secretary (In-charge)

This is the Statement of Changes in Equity referred to in our report of even date annexed.

Place: Dhaka
Date: 24 November, 2017

Delta Pharma Limited
Statement of Cash Flows
For the year ended 30 June 2017

Particulars	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
Cash flows from operating activities		
Receipt from customers	883,790,024	744,516,379
Payment to suppliers	(357,635,281)	(297,898,571)
Payment to employees & others	(350,078,374)	(325,176,214)
Net cash generated from operating activities	**176,076,369**	**121,441,595**
Interest paid	(50,261,713)	(61,589,335)
Income tax paid	(20,384,467)	(3,716,370)
A. Net cash generated from operating activities	**105,430,189**	**56,135,890**
Cash flows from investing activities		
Acquisition of property, plant & equipment	(70,549,329)	(49,335,951)
Additional Capital work-in-progress	(15,967,969)	(16,847,153)
Investment	(18,853,441)	(25,000,000)
Development expenses	(5,240,540)	(10,800,000)
B. Net cash used in investing activities	**(110,611,279)**	**(101,983,104)**
Cash flows from financing activities		
Receipt/(Re-payment) of long term loan	(16,176,580)	46,322,721
Receipt/(Re-payment) of short term loan	25,420,331	769,026
Share capital and deposit for share	(7,473,500)	10,185,000
C. Net cash (used in)/ Provided by financing activities	**1,770,251**	**57,276,747**
Net Increase/(decrease) in cash and cash equivalent (A+B+C)	**(3,410,839)**	**11,429,533**
Cash and cash equivalent at the beginning of the year	**14,276,300**	**2,846,771**
Cash and cash equivalent at the end of the year	**10,865,461**	**14,276,303**

The annexed notes 01 to 29 form an integral part of these financial statements

Mrs. Ferdousi Akhter
Chairman

Dr. Md. Zakir Hossain
Managing Director

Dr. A. K. M. Muslem Uddin
Executive Director (Commercial)
&
Company Secretary (In-charge)

This is the Statement of Cash Flows referred to in our report of even date annexed.

Place: Dhaka
Date: 24 November, 2017

1.00 The reporting entity and it's nature of business

Delta Pharma Limited (The Company) was incorporated on 17th June 1964 as a Private Limited Company under The Companies Act, VII of 1913. From 2007, the company is operating as a public limited company (non listed) registered under the Companies Act, 1994 and Authorized Share Capital is Tk. 1,000,000,000 divided into 10,000,000 ordinary shares of Tk. 100 each and Paid Up Capital is Tk. 328,750,000 divided into 3,287,500 ordinary shares of Tk. 100 each.

The company manufactures various drugs and medicines both allopathic & indigenous and sells these in the local and foreign markets.

The factory of the company is situated at Pakundia, Kishorgonj in it's own land.

2.00 Basis of preparation of the financial statements

2.01 Statement of compliance

The Financial Statements has been prepared in compliance with the requirements of the Companies Act, 1994 and other relevant local laws as applicable. Cash flows from operating activities are computed under Direct Method as prescribed by the Securities and Exchange Rules 1987.

2.02 Statement on compliance of BFRS & BAS

The Financial Statements has been prepared in accordance with the applicable Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS).

The following BASs & BFRSs are applicable for the financial statements for the year under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Statement of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Reporting Period
BAS - 1	Income Taxes
BAS - 16	Property, Plant and Equipment
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 24	Related Party Disclosures
BAS - 27	Separate Financial Statements
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 38	Intangible Assets
BAS - 39	Financial Instruments: Recognition and Measurement
BFRS- 7	Financial instrument: Disclosures
BFRS- 13	Fair Value Measurement

2.03 Other regulatory compliances

The company is required to comply with the following major laws and regulations along with the Companies Act 1994:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
The Customs Act, 1969
Bangladesh Labor Law, 2006 (as ammended in 2013)

2.04 Date of authorization for issue of the financial statements

The board of directors in its meeting held on 24 November, 2017 reviewed the financial statements and authorized them for issue.

2.05 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.06 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

2.07 Use of estimates and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual results may differ from these estimates.

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

2.08 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business and operations.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.01 Foreign currency

Transactions in foreign currencies are translated to Bangladesh Taka at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities are converted at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the profit and loss account.

3.02 Financial instrument

Non-derivative financial instrument comprising accounts and other receivables, cash and cash equivalent, loans and borrowings, and other payables are shown at transaction costs.

3.03 Property, plant and equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties

and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

3.3.1 Depreciation of property, plant and equipment

No depreciation is charged on Land & Land development. Depreciation on all other fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful lives.

Half year's depreciation has been charged on additions irrespective of the date when the related assets are put into use.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management:

Category of PPE	Rate of depreciation (%)
Factory building	5%
Plant & machinery	10%
Electric equipments	20%
Furniture & fixture	10%
Automobiles & vehicles	20%
Generator	20%
Office equipment	10%
Electric Installation	10%
Spares & accessories	20%

3.04 Capital work-in-progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.05 Intangible assets - Development phase

An intangible assets arising from development shall be recognized if an entity can demonstrate the following:

a) the technical feasibility of completing the intangible assets so that it will be available for use.

b) its intention to complete the intangible assets and use or sell it.

c) its ability to use or sell the intangible assets.

d) how the intangible assets will generate probable future economic benefit.

e) the ability of adequate technical financial and other resources to complete the developments and to use or sell the intangible assets.

f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

3.06 Inventories

Stocks are valued at lower of cost and net realizable value except for goods in transit which are valued at cost

Cost of raw materials and packing materials are valued by using FIFO formula.

Cost of work-in-progress and finished stocks are arrived at by using FIFO cost formula including allocation of manufacturing overheads related to bringing the inventories to their present condition. The company uses standard cost method for measurement of cost of finished goods.

3.07 Impairment of assets

All fixed assets have been reviewed and it was confirmed that no fixed assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

3.08 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity in accordance with the requirement of BAS 12: Income Tax.

3.8.1 Current tax

Current tax the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Publicly Non-traded Company" and accordingly the rate of income tax applied for the year is 35%. Provision for tax has been made on the basis of Finance Act 2015.

3.8.2 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognised in the profit and loss account as per BAS-12 "Income Taxes".

3.09 Cash and cash equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

3.10 Cash flow statement

Cash Flow Statement is prepared principally in accordance with BAS-7 “Cash Flow Statement” and the cash flows from the operating activities have been presented under indirect method.

3.11 Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent liabilities and Contingent assets, provisions are recognized in the following situations:

a. when the company has an obligation (legal or constructive) as a result of past events;

b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. reliable estimates can be made of the amount of the obligation.

3.12 Revenue recognition

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net or returns and allowances, trade discounts and volume rebates.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership has been transferred to the buyer, the company has no managerial involvement of ownership of the goods, the amount of revenue and the cost of the transaction can be measured reliably and it is probable that the economic benefit associated with the transactions will flow to the company.

3.13 Financial expenses

Financial expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with BAS-23: "Borrowing Cost".

3.14 Software

Softwares are generally charged off as revenue expenditure. Purchase of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

3.15 Comparative information and re-arrangement thereof

Financial statements have been restated for the year ended 30 June 2015 to incorporate deferred tax in the financial statements in accordance BAS-12 (Income Taxes) and ensuring compliance with BAS-8 (Accounting Policies, Changes in Accounting Estimates and Errors).

Relevant comparative information has been presented in the financial statements. Previous year's figures have been rearranged/reclassified and restated wherever possible and considered necessary to conform to current year's presentation.

3.16 Segmental reporting

No segmental reporting is applicable for the company as the company operates in a single industry segment and within a single geographical segment.

3.17 Reporting period

The period of these financial statements covers from 1st July to 30th June consistently.

3.18 Components of the Financial Statement

According to the International Accounting Standrad (IAS)-1 adopted by ICAB as BAS-1 "Presentation of Financial Statements" the Complete set of Financial Statements includes the components are stated below:

(I) Statement of Financial Position as at 30 June 2017.
(ii) Statement of Comprehensive Income for the year ended 30 June 2017.
(iii) Statement of Changes in Equity for the year ended 30 June 2017.
(iv) Statement of Cash Flows for the year ended 30 June 2017.

3.19 Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of the assets and net sales proceeds.

3.20 Related party transaction

Related party transaction is a transfer of resources, services or obligations between related parties regardless of whether a price is charged

a) Significant contracts where company is a party and where directors have interest -----Nil

b) Shares issued to directors and Executives without consideration or at discount -----Nil

3.21 Earning per share (EPS)

The company calculates earning per share (EPS) in accordiance with BAS 33 "Earning Per Share" which has shown on the face of "Income Statement".

Basis of EPS

This has been calculated by dividing the basic earnings by the number of ordinary shares outstanding during the year. Previous years' EPS has been adjusted as per the requirement of BAS 33.

3.22 Provident fund

The company has introduced contributory provident fund scheme effective from January 2010 for its permanent employees. The provident fund is administered by a board of trustees and is funded by equal contribution from the employees and the company at 10 % of basic pay. The process of taking recognition with NBR is going on.

3.23 Group insurance

Tha Company has also a group Insurance scheme for its permenent employees, premium for which is being charged to income statement annually as per the insurance policy.

		Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
4.00	**Property, plant & equipment**		
	A.Cost		
	Land & land development	93,014,511	59,349,911
	Factory building	66,777,858	66,777,858
	Plant & machinery	134,170,623	111,263,326
	Electric equipments	5,200,154	5,200,154
	Furniture & fixture	14,693,164	13,832,297
	Automobiles & vehicles	68,422,263	68,422,263
	Generator	17,913,529	9,098,123
	Office equipment	47,021,836	43,993,391
	Electric installation	4,325,002	4,264,921
	Spares & accessories	5,846,482	4,633,849
		457,385,420	**386,836,093**
	B.Accumulated depreciation	171,634,615	151,915,037
	C.Written down value(A-B)	**285,750,805**	**234,921,056**

(Schedule of property, plant and equipment are given in annexure -A)

5.00	**Capital work-in progress**		
	Land and Land Development	41,690,003	31,690,003
	Building/Civil work	50,670,550	44,702,581
	Total	**92,360,553**	**76,392,584**
5.01	**This is made up as follows**		
	Opening balance	76,392,584	59,545,431
	Add: Addition during the Year	59,632,569	50,732,925
	Sub total	136,025,153	110,278,356
	Less: Transferred to fixed assets during the year	43,664,600	33,885,772
	Total	**92,360,553**	**76,392,584**
6.00	**Intangible assets- development phase**		
	This is made up as follows:		
	Govt. and other license fee	2,856,020	3,208,797
	Product testing and Design	7,422,709	8,339,566
	Accessories QC	5,425,994	6,096,216
	Research development and others	30,005,683	33,712,003
	Product registration & others	6,082,015	6,833,269
	Total	**51,792,421**	**58,189,851**

Addition to development expenses will be amortized within 5 years starting from the next year as per the decision of the Board of Directors. During the year amotrization expenses have been charged @ 20% of opening Intangible Assets (Development phase)

6.01	**Movement of Intangible assets- development phase**		
	This is made up as follows:		
	Opening balance	58,189,851	59,237,313
	Add: Addition during the year	5,240,540	10,799,998
	Less: Amotization during the year	(11,637,970)	(11,847,460)
	Closing balance	**51,792,421**	**58,189,851**
7.00	**Investment**		
	Trade Investment (7.01)	**81,353,441**	**62,500,000**
7.01	**Trade Investment**		
	Investment in share:		
	Delta Health Care, Mirpur Ltd.	11,500,000	9,500,000
	Delta Health Care, Chittagong Ltd.	2,000,000	2,000,000
	Delta Limited	39,853,441	31,500,000
	Delta Health Care, Rampura Ltd.	7,000,000	1,000,000
	Delta Health Care, Mymensingh Ltd.	11,000,000	10,000,000
	Delta Health Care, Jatrabari Ltd.	10,000,000	8,500,000
	Total	**81,353,441**	**62,500,000**

		Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
8.00	**Inventories**		
	This is made up as follows:		
	Raw materials	76,752,515	85,668,586
	Packing materials	39,668,604	44,169,398
	Work-in-process	9,759,309	10,629,021
	Finished goods	70,286,785	72,930,287
	Physician sample	7,986,959	6,637,542
	Literature & printed materials	13,615,173	13,489,036
	Laboratory chemicals	535,140	535,140
	Material in transit	19,882,010	33,097,106
	Total	**238,486,495**	**267,156,116**
9.00	**Trade and other receivables**		
	This is made up as follows:		
	Accounts receivable -trade (Note-9.01)	99,600,006	72,994,428
	Total	**99,600,006**	**72,994,428**
9.01	**Accounts receivables-Trade**		
	This is made up as follows:		
	Accounts receivable (trade) -local (Note-9.02)	83,152,861	70,359,957
	Accounts receivable (trade) -foreign (Note-9.03)	16,447,145	2,634,471
	Total	**99,600,006**	**72,994,428**
9.02	**Accounts receivable (trade)-Local**		
	This is made up as follows:		
	Opening balance	70,359,957	59,057,798
	Add : Credit sales during the year	804,993,615	823,630,041
		875,353,572	**882,687,839**
	Less : Collection during the year	792,200,711	812,707,806
	Closing balance	**83,152,861**	**70,359,957**
9.03	**Accounts receivable (trade)-Foreign**		
	This is made up as follows:		
	Opening balance	2,634,471	2,569,815
	Add :Sales during the year	105,401,987	55,219,820
		108,036,458	**57,789,635**
	Less : Collection during the year	91,589,313	55,155,164
	Closing balance	**16,447,145**	**2,634,471**
10.00	**Advances, deposits & prepayments**		
	This is made up as follows:		
	Office working & others	25,090,862	22,745,087
	Suppliers	41,715,021	43,272,055
	AIT & VAT	26,734,246	27,099,008
	Office rent	2,086,463	1,966,463
	Deposits & prepayments	6,385,659	5,518,219
	Total	**102,012,251**	**100,600,832**
11.00	**Cash & bank balances**		
	This is made up as follows:		
	Cash in hand	3,294,058	3,062,721
	Cash at bank	7,571,403	11,213,582
	Total	**10,865,461**	**14,276,303**
12.00	**Share capital**		
12.01	**Authorized capital**		
	10,000,000 ordinary shares of Tk. 100/- each	**1,000,000,000**	**1,000,000,000**
12.02	**Issued, subscribed, called-up & paid-up capital**		
	3,287,500 ordinary shares of Tk. 100/- each	**328,750,000**	**328,750,000**

	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
13.00 Retained earnings		
This is made up as follows:		
Opening balance	(83,513,868)	(88,976,778)
Add: Addition during the year	44,579,946	32,962,910
Less: 5% Stock dividend	-	(13,750,000)
Less: 5% Cash dividend	(16,437,500)	(13,750,000)
Balance transferred to B/S	**(55,371,422)**	**(83,513,868)**
14.00 Long term loan & lease obligation (net-off current portion)		
This is made up as follows:		
Islami Bank Bangladesh Ltd. Mouchak Br: (HPSM)	16,132,584	22,696,559
Shahjalal Islami Bank Ltd. (HPSM)	3,939,985	7,314,471
AB Bank Ltd. Kakrail Br: (Term Loan)	10,408,480	30,871,280
Uttara Finance & Investments Ltd. Obligation under finance lease	72,256,096	75,353,798
SIBL Dhanmondi Br.-HPSM	14,609,553	-
Total	**117,346,698**	**136,236,108**
15.00 Deferred tax liabilities		
Deferred tax liabilities recognized in accordance with the provisions of BAS 12: Income taxes, is arrived as follows:		
Balance as at 1 July	20,040,072	17,963,493
Adjustment/Addition during the year	(695,866)	2,076,579
Balance as at 30 June	**19,344,206**	**20,040,072**
16.00 Accounts payable		
This is made up as follows:		
uppliers & others	55,059,354	49,301,696
Total	**55,059,354**	**49,301,696**
17.00 Short term loan		
IBBL Mouchak Br: Murabaha Trust Receipt (MTR)	84,069,555	86,833,685
IBBL Mouchak Br: (MPIT)	114,444,773	91,453,394
AB Bank Ltd. Kakrail Br: (Over Draft, LTR & Time Loan)	13,255,824	12,914,640
Bank gurantee AB Bank Ltd. Kakrail Branch	2,861,692	1,778,336
Short Term others Loan	21,270,000	26,270,000
SIBL Dhanmondi Br. (Time Loan & LTR)	8,768,542	-
	244,670,386	**219,250,055**
18.00 Current portion of long term loan		
This is made up as follows:		
Islami Bank Bangladesh Ltd. Mouchak Br: (HPSM)	10,795,680	12,327,533
Shahjalal Islami Bank Ltd. (HPSM)	3,711,466	3,300,361
AB Bank Ltd. Kakrail Br: (Term Loan)	22,903,046	27,485,486
Uttara Finance & Investments Ltd. Obligation under finance lease	38,241,395	33,117,328
SIBL Dhanmondi Br. (Ijara)	3,291,951	-
Total	**78,943,538**	**76,230,708**
19.00 Profit payable		
This is made up as follows:		
Islami Bank Bangladesh Ltd., Mouchak Br: Profit on MPIT, MTR	19,151,640	19,310,970
Total	**19,151,640**	**19,310,970**
20.00 Liabilities for expenses		
This is made up as follows:		
Accrued expenses, suppliers & others	136,239,152	101,406,850
Audit Fees	223,611	175,000
Total	**136,462,763**	**101,581,850**

	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
21.00 Provision for taxation		
Opening balance	16,178,577	11,020,931
Addition during the year (Note-21.01)	9,441,161	9,203,950
	25,619,737	**20,224,881**
Less: Paid during the year	-	(3,716,370)
	25,619,737	**16,508,511**
Less: Adjustment during the year	(20,384,467)	(329,934)
Closing balance	**5,235,270**	**16,178,577**
21.01 Provision for income tax during the year		
1. 35% Income Tax on Local Net Profit	218,487	2,922,695
2. Half of 35% Income Tax on Export Net Profit	9,222,674	6,281,255
Total	**9,441,161**	**9,203,950**
22.00 Net Asset Value (NAV) per share		
Total Assets (A)	**962,221,433**	**887,031,170**
Less:		
Current Liabilities	539,522,951	481,853,857
Non Current Liabilities	136,690,904	156,276,180
Total Liabilities (B)	**676,213,855**	**638,130,037**
Net Asset Value (NAV) (A-B)	**286,007,578**	**248,901,133**
Total number of ordinary shares	3,287,500	3,287,500
Net Asset Value per share	**87.00**	**75.71**
23.00 Revenue		
This is made up as follows:		
Local Sales	804,993,615	700,663,374
Foreign Export	105,401,987	55,219,820
	910,395,602	**755,883,194**
24.00 Cost of sales		
This is made up as follows:		
Opening stock of finished goods	72,930,287	66,823,360
Add: Cost of goods manufactured (Note-24.01)	425,905,882	332,048,392
Finished goods available for sales	**498,836,169**	**398,871,752**
Less: Closing stock of finished goods	70,286,785	72,930,287
Cost of physician sample	8,481,604	8,561,648
Cost of sales	**420,067,779**	**317,379,817**
24.01 Cost of goods manufactured		
This is made up as follows:		
Opening work-in-process	10,629,021	6,930,314
Add: Cost of raw materials consumed (Note-24.02)	220,035,569	173,776,738
Cost of packing materials consumed (Note-24.03)	101,121,462	69,903,635
	331,786,052	**250,610,687**
Less: Closing work-in-process	9,759,309	10,629,021
Total cost of materials	**322,026,743**	**239,981,666**
Manufacturing overhead (Note-24.04)	103,879,139	92,066,726
Total cost of goods manufactured	**425,905,882**	**332,048,392**
24.02 Cost of raw materials consumed		
This is made up as follows:		
Opening stock	85,668,586	81,570,583
Add: Purchase	211,119,498	177,874,741
Raw materials available for use	**296,788,084**	**259,445,324**
Less: Closing stock	76,752,515	85,668,586
Cost of raw materials consumed	**220,035,569**	**173,776,738**

24.03 Cost of packing materials consumed

	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
This is made up as follows:		
Opening stock	44,169,398	41,664,823
Add: Purchase	96,620,668	72,408,210
Packing materials available for use	140,790,066	114,073,033
Less: Closing stock	39,668,604	44,169,398
Cost of packing materials consumed	**101,121,462**	**69,903,635**

24.04 Manufacturing overhead

This is made up as follows:		
Automobiles & vehicles expenses	949,955	925,793
Bank charge	11,417	67,131
Carriage Inwards	107,640	694,740
Casual wages	6,542,580	5,739,432
Computer expenses	61,600	125,548
Conveyance expenses	124,479	275,560
Donation & subscription	-	206,798
Depreciation expenses	16,367,250	15,445,747
Generator expenses	8,587,605	5,571,280
Insurance expenses	649,003	1,110,713
Laboratory chemicals supply	1,219,683	168,004
Medical expenses	38,025	52,895
Mobile bill	194,101	203,441
Non- Inventory product supply	10,281	411,546
Overtime premium	1,437,715	1,206,054
Postage, telephone & fax	-	4,364
Printing & stationery	1,012,796	786,913
Repair & maintenance	3,028,715	2,788,803
Renewal & registration	100,000	-
Salary & allowances expenses	39,464,561	34,399,027
Subs. books & periodicals	34,620	4,740
Training expenses	15,000	15,505
Internet Bill	51,400	-
Toll Charge	1,438,557	1,494,724
Uniform & cleaning	466,947	305,125
Water, electricity & gas	5,980,067	4,679,929
Welfare & recreation	4,347,172	3,535,453
Development expenses written off (Amortisation exp.)	11,637,970	11,847,460
Total	**103,879,139**	**92,066,726**

25.00 Administrative, selling and distribution expenses

This is made up as follows:		
AGM expenses	470,710	457,713
Audit fees	223,611	175,000
Automobiles & vehicles exp.	6,792,315	6,194,179
Bank charge	802,072	765,734
Corporate affairs	581,250	547,780
Casual wages	1,084,698	1,021,004
Carriage outwards	10,674,912	9,200,392
Computer expenses	191,029	376,342
Conveyance expenses	2,473,553	2,177,996
Depreciation expenses	3,352,328	3,163,587
Export expenses	9,063,527	4,260,423
Generator expenses	94,064	131,317
Insurance premium	1,195,433	817,757
Internet bill	525,469	545,058
Legal & professional fees	538,750	364,810
Medical expenses	19,992	34,285
Mobile bill	5,248,594	5,276,367
Overtime premium	215,960	142,320

	Amount in Taka 30 June 2017	Amount in Taka 30 June 2016
Pad, Brochure, Logo etc. expenses	15,355,092	10,635,632
Physician sample cost	4,013,033	2,510,759
Physician sample packing cost	925,945	550,052
Physician sample processing & delivery cost	733,532	490,912
Product development expenses	1,410,807	1,763,862
Postage, telephone & fax	42,817	58,651
Printing & stationery	5,381,827	5,326,252
Promotional expenses	25,005,936	20,684,956
Rent, rates & taxes	9,084,710	8,272,102
Renewal & registration	980,149	530,851
Repair & maintenance	998,368	1,113,415
Salary & allowances exp.	273,979,361	243,399,456
Subs. books & periodicals	4,960	2,740
Training expenses	250,879	248,597
Water, electricity & gas	2,071,215	1,662,896
Welfare & recreation	3,113,301	2,316,165
Total	**386,900,199**	**335,219,362**

26.00 Finance costs

This is made up as follows:

Profit/Interest on bank loan (MTR &MPIT)	25,647,759	28,335,487
Profit/Interest on bank loan (HPSM)	4,133,766	3,581,894
Interest on lease Uttara Finance & Investments Ltd.	10,417,924	14,935,997
Profit/Interest on HPSM Shahjalal Islami Bank Ltd.	1,194,872	936,373
Profit/Interest on Social Islami Bank Ltd.	1,197,421	-
Interest on Term loan, Time Loan, OD & LTR AB Bank Ltd.	7,510,641	11,250,825
Total	**50,102,383**	**59,040,576**

27.00 Income tax expense

Current tax	9,441,161	9,203,950
Deferred Tax (Income)/ Expenses related to the origination and reversal of temporary differences	(695,866)	2,076,579
Total	**8,745,295**	**11,280,529**

28.00 Earning per share (EPS)

The composition of EPS is given below:

Profit attributable to the shareholders during the year	44,579,946	32,962,910
Weighted average number of shares outstanding at the end of the period (3,287,500 ordinary shares of Tk. 100 each)	3,287,500	3,287,500
Basic Earnings Per Share (per value Tk.100)	**13.56**	**10.03**

29.00 Events after the statement of financial position date

There was no events subsequent to the date of balance sheet which require adjustment or disclosure in the financial statements.

The board of directors in its meeting held on 24 November, 2017 recommended 5% cash dividend per share for the year 2016-2017 which is subject to the approval at the forthcoming AGM.

Delta Pharma Limited

Schedule of Property, Plant & Equipment

As at 30 June 2017

Annexure-A

Amount in Taka

Particulars	Cost				Rate of Dep. (%)	Depreciation				Written down value as on 30 June 2017	Written down value as on 30 June 2016
	Balance as on 1 July 2016	Addition during the year	Disposal/ Adjust	Balance as on 30 June 2017		Balance as on 1 July 2016	Charged during the year	Disposal/ Adjust	Balance as on 30 June 2017		
Land & land development	59,349,911	33,664,600	-	93,014,511	0%	-	-	-	-	93,014,511	59,349,911
Factory building	66,777,858		-	66,777,858	5%	17,649,189	2,456,433	-	20,105,623	46,672,235	49,128,669
Plant & machinery	111,263,326	22,907,297	-	134,170,623	10%	48,255,996	7,446,098	-	55,702,094	78,468,529	63,007,330
Electric equipments	5,200,154		-	5,200,154	20%	4,347,562	170,518	-	4,518,081	682,073	852,592
Furniture & fixture	13,832,297	860,867	-	14,693,164	10%	6,194,449	806,828	-	7,001,277	7,691,887	7,637,848
Automobiles & vehicles	68,422,263		-	68,422,263	20%	51,050,279	3,474,397	-	54,524,676	13,897,587	17,371,984
Generator	9,098,123	8,815,406	-	17,913,529	20%	6,870,051	1,327,155	-	8,197,206	9,716,323	2,228,072
Office equipment	43,993,391	3,028,445	-	47,021,836	10%	13,150,898	3,235,672	-	16,386,570	30,635,266	30,842,493
Electric installation	4,264,921	60,081	-	4,325,002	10%	2,042,698	225,226	-	2,267,925	2,057,077	2,222,223
Spares & accessories	4,633,849	1,212,633		5,846,482	20%	2,353,913	577,250	-	2,931,164	2,915,318	2,279,936
Total as at 30 June 2017	**386,836,093**	**70,549,329**	**-**	**457,385,420**		**151,915,037**	**19,719,578**	**-**	**171,634,615**	**285,750,805**	**234,921,056**
Total as at 30 June 2016	**337,500,142**	**49,335,951**	**-**	**386,836,093**		**133,305,703**	**18,609,334**	**-**	**151,915,037**	**234,921,056**	**204,194,439**

* Depreciation charged during the year:

Head	Percentage (%)	Amount (Tk.)
Manufacturing overhead	0.83	16,367,250
Administrative expenses	0.17	3,352,328
Total		**19,719,578**

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- DMF grade Raw Material ensures higher level of potency
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- Systemic Lupus Erythematosus (SLE)
- Discoid Lupus Erythematosus (DLE)
- Dermatomyositis

DELTA **Delta Pharma Limited**

Delta Pharma Limited

Registered Office : Tarakandi, Pakundia, Kishoreganj
Dhaka Office : House # 501, Road # 34, New DOHS
Mohakhali, Dhaka-1206. Phone : 9892192, 8711645-7

Attendance Slip

I/We hereby record my attendance at the **10th Annual General Meeting** of the shareholders of Delta Pharma Limited will be held on **25 December (Monday) 2017**, at **11:00 am** at **Sundarban-10, Sadarghat, Dhaka, Bangladesh.**

Name of the Member/Proxy _____

Register Folio No. _____ holding of _____ Ordinary Shares.

Signature of the Member /Proxy **Signature verified by**

Note: Members are requested to present the Attendance Slip at the Registration Desk.

Delta Pharma Limited

Registered Office : Tarakandi, Pakundia, Kishoreganj
Dhaka Office : House # 501, Road # 34, New DOHS
Mohakhali, Dhaka-1206. Phone : 9892192, 8711645-7

PROXY FORM

I/We _____ of _____ being a member of Delta Pharma Limited do hereby appoint Mr./Ms. _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the **10th Annual General Meeting** of the shareholders of Delta Pharma Limited will be held on **25 December (Monday) 2017**, at **11:00 am** at **Sundarban-10, Sadarghat, Dhaka, Bangladesh** and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2017.

Signature of the Member **Signature of the Proxy**

Register Folio No. .....

No of shares held: .....

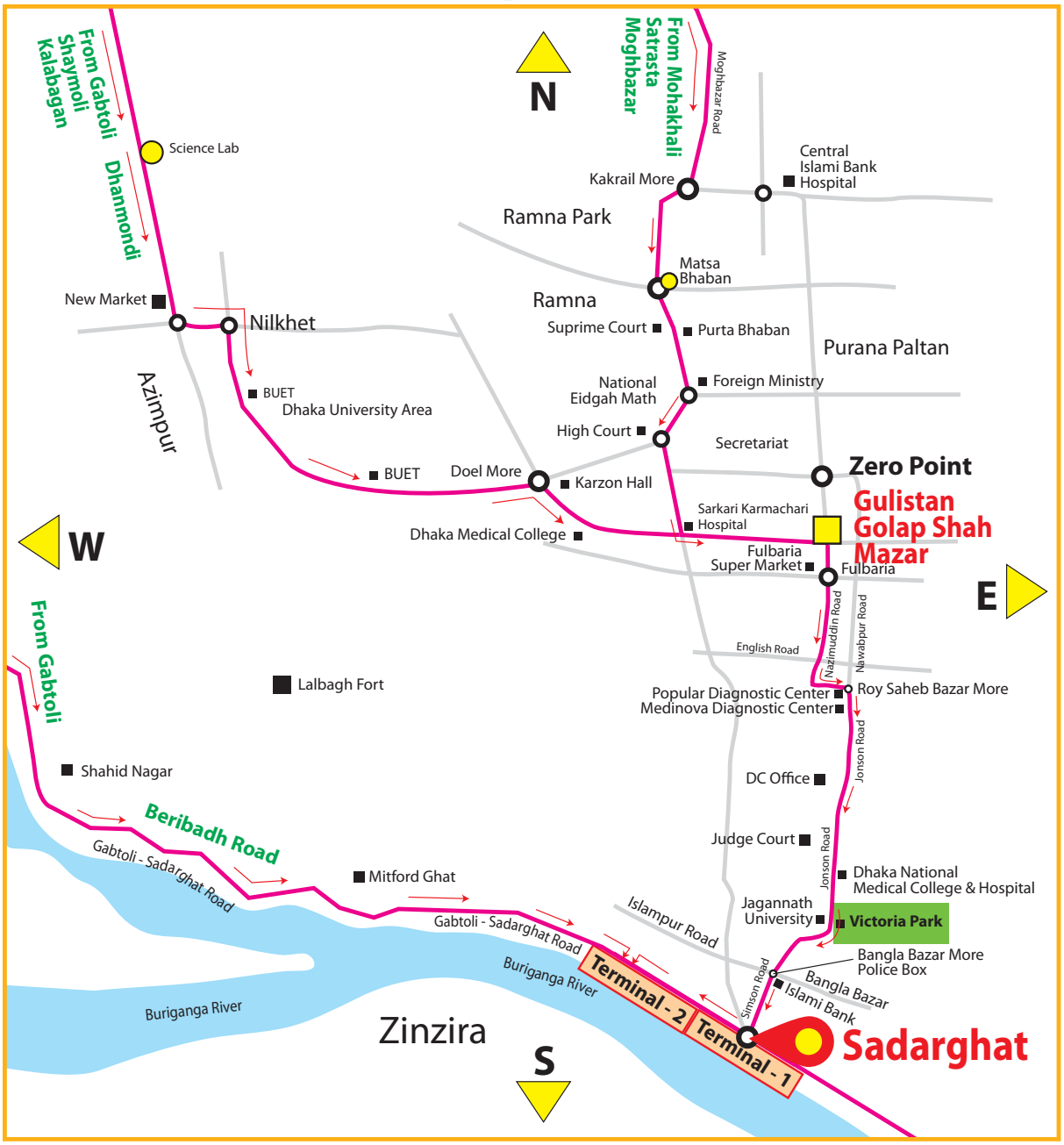
Signature Verified

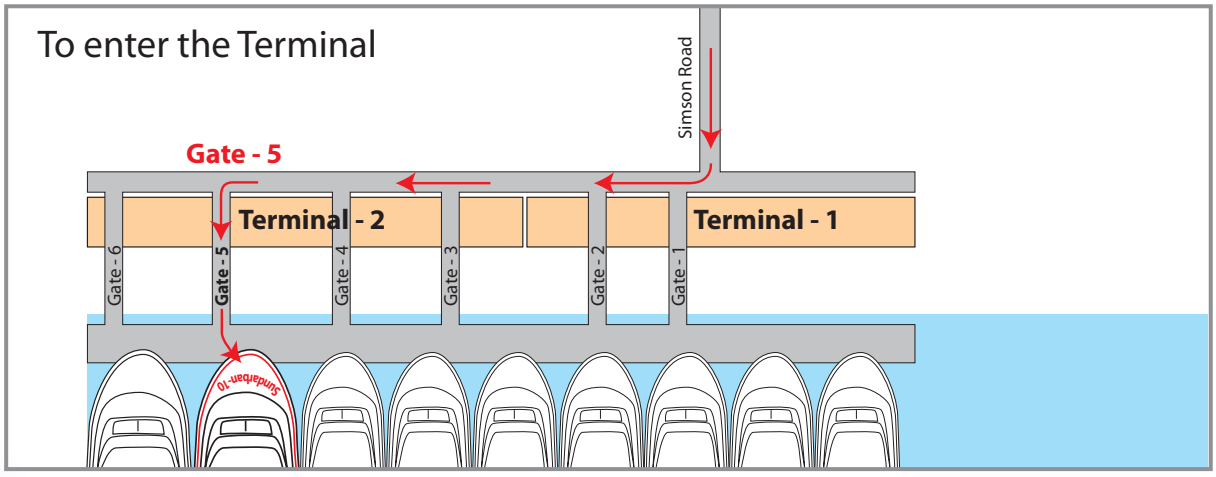
Revenue Stamp Tk. 10.00

Authorized Signature

Note: A member entitled to attend and vote at the 10th Annual General Meeting 2017 may appoint a Proxy to attend and vote on his/her behalf. The Proxy form, duly stamped, must be deposited at the above mentioned Dhaka Office of the Company at least 48 hours before the time fixed for the meeting.

Location Map of the Venue





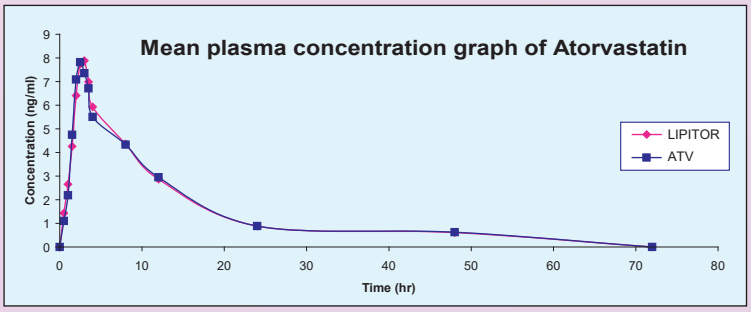
ATV

Atorvastatin

10 mg, 20 mg & 40 mg Tablet

Bioequivalent Atorvastatin in Bangladesh

Bioequivalent to Originator Brand, LIPITOR



Relative bioavailability **99.42%**

Affordable Price: ATV 10 Only 5 taka in a day, save **1800** taka in a year

Global Brand:

Also available:

The rational combination

ATV plus

Atorvastatin 10 mg & Amlodipine 5 mg tablet

A Trusted Lipid lowering & A Tested Antihypertensive.

DELTA **Delta Pharma Limited**

Ref: *Data on file.*

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