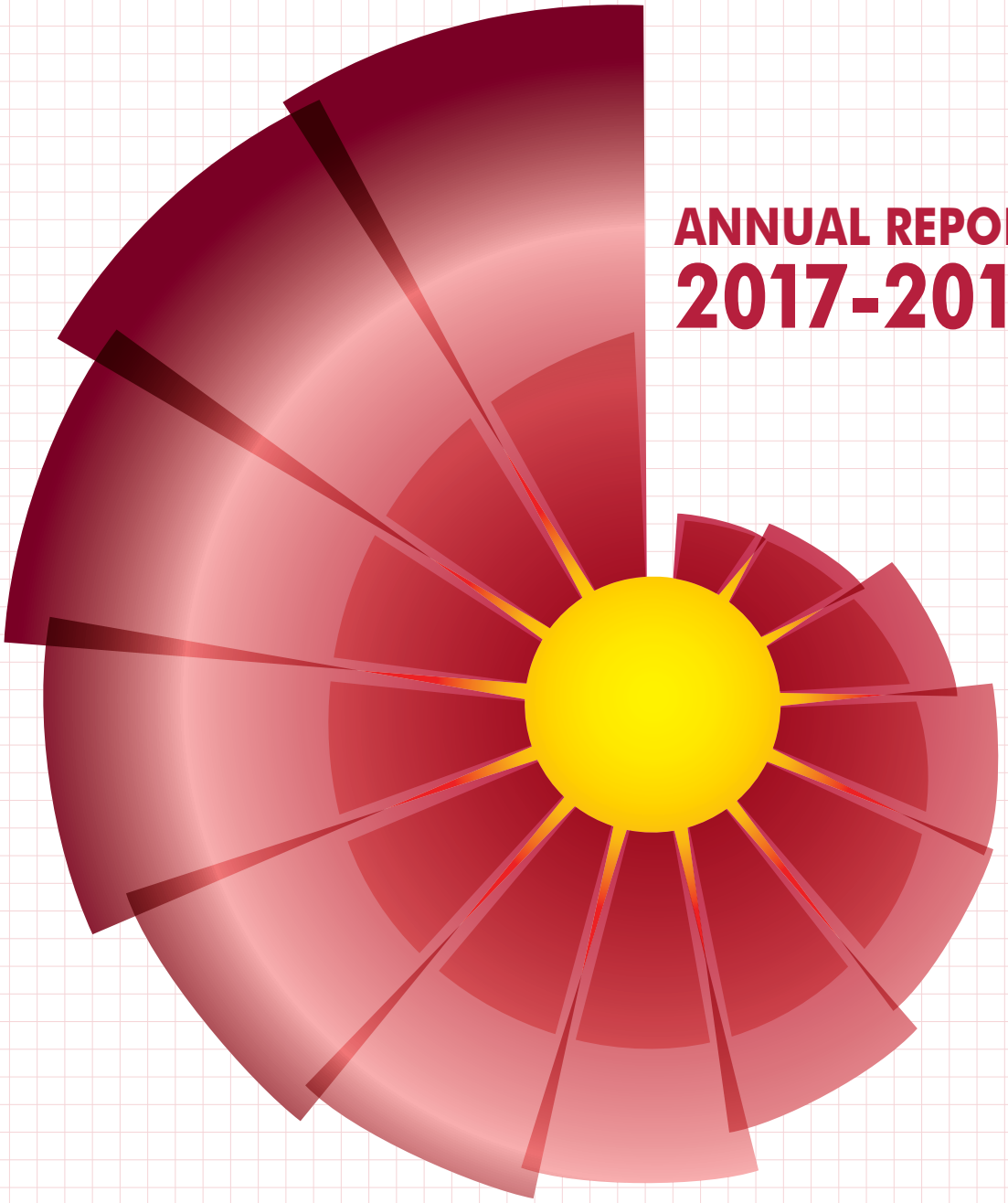
ANNUAL REPORT
2017-2018



DELTA

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 2018.

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 2018, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended 30 June 2018 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: 01 November, 2018

NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the **11th Annual General Meeting** of the shareholders of **Delta Pharma Limited** will be held on **24 November (Saturday) 2018**, at **10:00 am** at **Conference Hall (1st Floor), LGED Bhaban, Agargaon, Dhaka-1207, Bangladesh** to transact the following business:

AGENDA

1-0 To receive, consider and adopt the Audited Accounts for the year ended 30 June 2018 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 2018;

4-0 To appoint Auditor(s) for the year ended 30 June 2019 and fix their remuneration;

By order of the Board

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

Dated: 01 November, 2018

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.

I am pleased to report another successful year for Delta Pharma Ltd. We have accelerated our development in domestic and global market with continued growth momentum registering year-on-year of 13.13% keeping continuous driven on increasing presence in markets. Upon review of the Directors' Report and the Managing Director's Statement, you will note that we have performed well in our operational and financial continuum. (With sales, net profit and earning per share strongly increasing from the comparable previous period)

We are making significant investment in our manufacturing facilities; our large scale physical infrastructure projects at plant initiated to support company's current and future growth, progressed as planned. Managing Director will brief in his statement and presentation.

We performed well in the past year and I remain confident that the Board of Directors are taking the right actions to grow and deliver results for you in the coming years as well. Our adopted strategies squarely fit to our goal to build Delta Pharma as one of the fastest growing companies with a strong presence in the global market.

I must say we have got a dedicated, capable and very sincere pool of employees. The achievement we have made so far was only possible because of such a talented team. I thankfully acknowledge their contribution to the company. We are grateful to our shareholders for extending, at all times, their invaluable support and cooperation to bring the company to the level it has reached today.

Thanking you all with best wishes of health and heart.

Yours sincerely

F. akhter

Mrs. Ferdousi Akhter

Bismillahir Rahmanir Rahim

STATEMENT OF PERFORMANCE BY THE MANAGING DIRECTOR

Honorable Chairman, Directors, Shareholders and the colleagues,

As-Salamu-Alaiqum.

It's my extreme honour and privilege to welcome you all in this august gathering of 11th. Annual General Meeting of our company. Thank you all for taking the trouble of attending this program despite your busy schedule. I hope and believe that you have received our Annual report of 2017-2018 containing the Report of the Directors along with Audited Accounts/Financial statement for the year ended 30 June 2018.

I am pleased to report another successful year for the company with solid performance. Bangladesh continues to achieve sustained economic growth and now on the high-way of economic growth targeting to reach the Middle-Income Group by 2021 and Higher-Income Group by 2041. Bangladesh Pharma Industry is currently valued at more than $2 billion and the market is growing by double digit for the last few years. The pharmaceutical industry is one of the most dynamic and technologically advanced industries in Bangladesh. The government of Bangladesh has declared "Pharmaceuticals product" as the "Product of the year 2018".

The government of Bangladesh has also declared 10% cash incentive on export of Finished Pharmaceutical products from 01 July 2018. All of these positive developments give us optimism for the country's rapid and continued socioeconomic progress in the coming years along with the Pharma sector.

During the past year, Delta Pharma recorded a double digit growth and maintained consistent growth in prescription share. We have maintained our strong position in key therapeutic segments. As we continue to pursue growth in international markets, especially in emerging and moderately regulated markets, we believe future growth will be largely derived from these areas.

We are also having a project of creating a new and dedicated Cephalosporin facility and modern microbiology lab. Our expansion of General Production facilities is going on, civil construction is complete and machinery is being imported. We expect the commissioning of this new facility by early 2019. This facility with expanded capacity will cater to our growing demands in the coming days and will also help to maintain a sound platform towards sustainable growth.

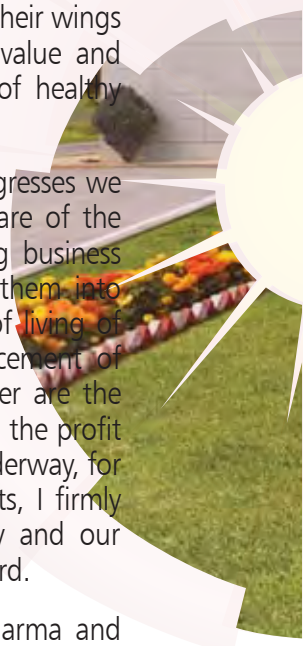
We have seen another positive development as country's much-awaited API technology park in Munshiganj is now ready and plots are now being handed over to the selected companies. This will largely benefit the industry providing backward integration into API and lowering its heavy dependency on import.

I am pleased to share that in June 2018 the Food and Drug Authority (FDA) of Philippines has approved Delta Pharma's manufacturing facility following the rigorous audit by its Inspection Group. Delta Pharma facility has been found fully compliant with the standards of Good Manufacturing Practices (cGMP) recommended by the WHO. This approval will help us expand our business in Philippine and the other ASEAN countries.

Our focus remains on expanding our generics business, enhancing R&D productivity, enabling our people and improving cost competitiveness. Quality is critical to our success and our excellent track record of compliance has made us a trusted partner to our customers. Our major focus remains on research and development for bringing high quality, differentiated products. Our R & D team has been continually working on diverse delivery systems, as well as regulatory filings in different markets.

In respect of consolidated position in the Pharma market in Bangladesh, the company has been able to sustain the position due to the hard work of the workers, employees, professionals and the supervising management, who have done their duties with devotion and sincerity.

Through this august gathering, I want to recall our former Managing Director, Dr. M. Omar Faruque and the entrepreneurs, who have laid the foundation stone of this company in Pakundia, Kishorgong. The time has seen the seedling is growing and growing, going up and up, flowering and bearing fruits, encompassing the map of the country day by day, reaching at it's desired level surpassing all the obstacles and challenges. With the changes in socio-political situation of the country and conforming with the government policies and strategies, your investment value has grown and flowered spreading their wings and fragrances of increased asset value and reputation at a rate of all matrix of healthy corporate enterprise.



Amid all the achievements and progresses we have made, we are very much aware of the challenges in today's ever changing business environment and strive to convert them into opportunities. The increasing cost of living of our people along with the enhancement of government price of fuel and power are the major challenges for lowering down the profit in future. With various initiatives underway, for both domestic and overseas markets, I firmly believe our commitment to quality and our focus on people will propel us forward.

On behalf of everyone at Delta Pharma and our board of directors, I thank you all for your heartfelt and fullest support and I look forward to continued progress across each of our strategic imperatives in the coming days.

My honest and sincere thanks to all of you.

Allah Hafiz

Dr. Md. Zakir Hossain

ABOUT THE COMPANY

Incorporated in 1964, Delta Pharma started its operation in 2005 under the new management, importing the Raw Materials from Lysi- Iceland, Biofac- Denmark, Calmags-Germany, Cadila Health Care Ltd.- India, Hetero Drugs Ltd.- India, Zhejiang Hisun Pharmaceutical Co. Ltd.- China, which were later manufactured and distributed under licensing arrangement. From that re-launching, the company has grown from strength to strength and today it has emerged as one of the fastest growing manufacturer and exporter of medicines in Bangladesh. With its mission to ensure access to affordable medicines for all, the company is driven by its vision to be among the most admired companies in the country.

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

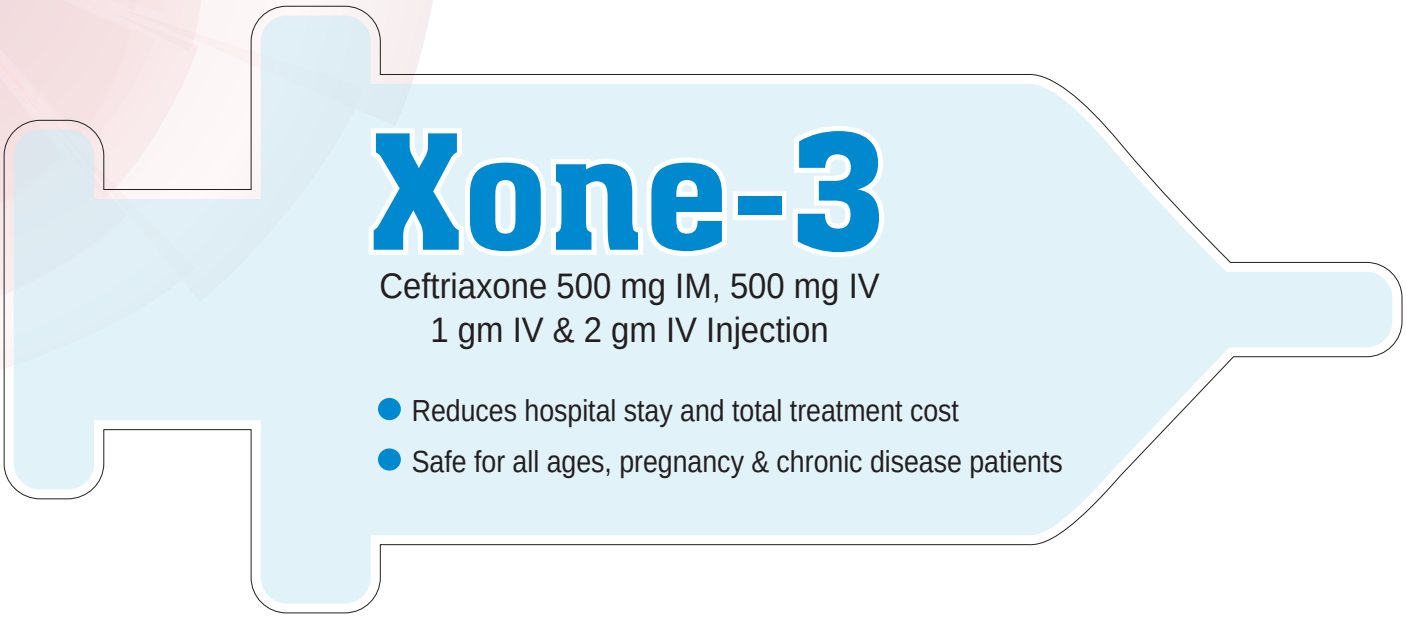
Our object is to conduct transparent business operation within the legal & social frame work in order to attain the declared vision.

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	:	1,327 (at book closure date 23-25 October, 2018)
Number of Employees	:	1,430 as on 30 June 2018 (Permanent 1,315, Casual 111 and Contractual 04)



BOARD OF DIRECTORS

Ferdousi Akhter
Chairman

Dr. Md. Zakir Hossain
Managing Director

Nazneen Akhter
Director

Nadira Begum
Director

Prof. Abdul Bayes Bhuiyan
Director

Prof. Dr. Abdul Hannan
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
Prof. Dr. Abdul Hannan	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
Prof. Dr. Abdul Hannan	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	Deputy 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 Ltd.
- Sonali Bank Ltd.
- Shahjajal Islami Bank Ltd.
- Social Islami Bank Ltd.
- Exim Bank Ltd.
- United Commercial Bank Ltd.

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 202.00 Crore which is a 20.24% 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
05.	2017-2018	202 Crore (In BDT)	57,682 sft

Production Department

Delta Pharma Limited is currently producing more than 83 generics in 125 dosage forms covering broader therapeutic categories which include antibiotics, anti-ulcerants, cardiovascular, anti-diabetics, Lipid lowering agents & combinations, antipsychotics, NSAIDs, antipyretics, antispasmodics, laxatives, antihistamines, antiemetic, vitamins & minerals etc. The WHO approved cGMP guidelines are strictly followed in every step of production process and ensure optimum quality of products compared to the international brands.

Highly sophisticated HVAC systems are used to control & monitor the environment to the working zone according to the manufacturing zone concept of cGMP. The production units are equipped with modern & sophisticated machinery made by world-renowned manufacturers to enhance the production capacity by realizing quality improvement.

Manufacturing and packaging operations are carried out according to the validated methods through sophisticated & modern machinery with full documentation (SOP, BMR and BPR) at all stages of operations. The manufacturing site strictly follows cGMP guidelines for environmental requirements comply with EHS (environment, health & safety) requirements.

Quality Control Department

The Quality Control Department of Delta Pharma Limited is performing it's duties to ensure the quality & safety of drugs by ensuring efficient testing of raw materials, packaging components, intermediates, finished products & bio-waiver test by following the guidelines of British Pharmacopeia (BP), United State Pharmacopeia (USP), WHO cGMP, GLP & ISO 9001:2015 quality management system and also by following the established validated test method. To carry out these functions efficiently and effectively, adequate laboratory facilities are provided in a well-established chemical testing laboratory, along with a well-equipped instrumentation laboratory by using modern sophisticated analytical equipments.

Quality Control Department has other duties to establish, validate and implement all quality control procedures, keeping the reference samples of raw materials and finished products for support or verify the shelf life period, physical and chemical attributes and also maintain the record of working/reference standard. Besides these, Quality Control activities include calibration of laboratory instrument/equipment, monitoring of Long-term stability of products and participating in the investigation of product complains.

Quality Control Department has the responsibility for SOPs and STPs preparation, revision, update the documents of Instruments, raw materials, packaging materials, finished products, analytical methods and associated documents, certificate of analysis, validation data as per regulatory requirement.

The Microbiology Laboratory is equipped with a wide range of equipments. We perform microbiological test like particle count, total aerobic microbial count, total yeast and mould count, growth promotion test, environmental monitoring test, pathogenic microorganism test and microbiological test of Raw materials, excipients, finished products and also for the water. We confirm our product quality through performing the above microbiological tests carried out by our group of qualified microbiologists. We are also responsible for the overall testing of ETP water and also responsible for ensuring the quality parameters of ETP.

Quality Assurance Department

Quality assurance is a wide concept that covers all aspects that collectively or individually impact the quality of the product. Quality assurance is a good practice in the manufacture of pharmaceutical products, as it is the process of guarantee for integrity of products to meet the standard for the proposed use. It obligates the manufacturers to meet the needs of end-user in terms of safety, quality, efficacy, strength, reliability and durability.

The system of specifications as well as practice control measures in the industry, which is also referred to as standard operating procedures (SOPs) are prepared by Quality assurance department to ensure good manufacturing practice. Quality Assurance is about safeguarding the patient's well-being, by assuring that all operations associated with the manufacture of medicinal products are of a standard that assures the patient's expectations of safety and efficacy. Quality Assurance is both a state of mind and an understanding of the regulations and guidance relating to the development and manufacture of medicinal products.

Quality assurance department conducts self-inspection program by which we can find out the errors. Then the errors are eliminated by taking corrective and preventive actions (CAPA). Internal audit as per ISO 9001:2015 Quality Management System requirements is also conducted by Quality Assurance Department to maintain the certification. Quality Assurance Department conducts the training on Good Manufacturing Practices as per predefined schedule to enhance the skill and competence of manpower. Through this training we can increase the awareness of our employee. As a result, we can ensure consistent quality of product and maintain our policy of continuous improvement.

Validation is an essential part of good manufacturing practices (GMP). It is, therefore, an element of the Quality Assurance program associated with product. Validation / Qualification of machinery / equipment, utility system (HVAC system, compressed air system, purified water system etc.) are carried out by which we get the expected results. It is our great achievement that we have got the certificate of ISO 9001:2015 and the certificate of Good Manufacturing Practices (GMP) compliance from FDA Philippines and other regulatory authority.

Warehouse Department

The Warehouse in Delta Pharma receives and stock up raw and packaging materials from the renowned and validated sources for the manufacturing of our quality products following WHO cGMP guidelines and maintain the ISO 9001:2015 quality management system.

We ensure the pre-requisite of various requirements for appropriate storage conditions. Different drugs can have different requirements in terms of temperature, humidity, and lighting. We must ensure security systems and processes both inside and outside, must be able to prevent unauthorized entry and protect against theft.

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.

Engineering and Maintenance Department

Engineering and Maintenance Department are appointed for designing, constructing, maintaining and operating the process and technology used for manufacturing pharmaceutical products. This Department ensures the safety of all the personnel who are working in the plant. We coordinate the works among all departments like production, Quality Control, Quality Assurance and Warehouse to perform the works smoothly. 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) and well trained Technicians of electrical, mechanical, Refrigeration, Air-conditioning & HVAC system. We are responsible for assisting in preparation of the Technical specification of machineries and equipments needed for the company and also perform the FAT for the selected machinery manufacturers.

We are responsible for the installation and oerationalization of the new machineries procured fro the plant and also we do regular maintenance for smooth functioning of production machinery and QC/QA/PD equipment's. This department is responsible for ensuring power and compressed air supply system, HVAC system, water treatment plant and effluent treatment Plant (ETP). We also arrange fire drill in every month for safety, security and regulatory purpose. 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

Human resource development department is mainly responsible for the effective and successful execution of all the management decisions and practices that directly influence the people of the organization to work properly for the best utilization of resources. In recent years, augmented concentration has been focused to how organizations manage Human Resources for optimum outcome. Delta Pharma Ltd would like to manage its Human Resources to support the achievement of its mission with integrity and with quality through the following principles: Employment Policy, Recruitment and Hiring, Working Conditions/environment, Remuneration and Benefit Package, Performance Management System & Appraisal etc.

A prime concern of HRD is to seek and hire qualified employees. We have a well-defined guideline to recruit the needing individuals who posses specific skills, knowledge and abilities to specify that jobs. Besides employment advertising in daily newspaper or in job portal, we give priority employee referrals as we believe they can collect the best applicants considering the priority of the company's need. Actually existing employees believe that their reputations with the company will be reflected in the candidates that they recommend.

Motivations inspire the people to work for producing best results. It is the willingness to exert high level of effort towards organizational goals, conditioned by the efforts and ability to satisfy some individual needs. An important part of the retention of staff, reducing staff turnover and minimizing absenteeism at work is ensuring that staff are properly motivated. HR department in Delta Pharma Ltd. concentrates on securing and attracting appropriate people through motivations in the different way along with competitive salary package and other benefits. For generating maximum individual development, recognizing and satisfying individual needs and developing leadership quality we arranged a good number of training programs and workshops.

Delta Pharma looks after its employees through ensuring good health of the employees both physical & mental. We also ensure security & safety of them during the working period of time. HR policy is very clear to all staff so that they feel safe to work here. They can put their attention and productivity properly towards their tasks. The communication between the employees and top level management is very much clear and transparent so that there is no gap between top level management and low level management. Bearing in mind the safety of the employee we ensure the all kinds of job safety such as insurance of each employee and also provide free medical checkup, provide health cards and also provide necessary medical facilities for factory employee.

Training Department

Aiming to attain sustainable expansion of our business, locally and globally, we require to develop the knowledge, skills and attitude of our employees efficiently and effectively developing them through knowledge-based training.

On the job management development techniques is our policy to enrich our employee. We believe on the job training is one of the most popular HR development methods. Other important techniques are also followed like Job rotation, coaching/ under-study approach and action learning. We provide in-house training along with the subject specific training for the employees from the renowned training institutes of Dhaka. We are also sending our employees to have specific subject related training from Japan and also giving then opportunity to attend the Pharma related Fair and exhibition in and outside the country. These activities help them in gaining the most sophisticated and updated professional knowledge and skill and also help them in making the networking with the professionals of the Pharma sector. The objective of the company is to improve the desire of employees to stay in the relationship they have with the company.

Our Training Department is self-contained consists of qualified as well as experienced trainers who serve round the year using preset annual training program providing new knowledge on rapidly emerging technological development, increasing skills and enhancing job satisfaction and self actualization of employees by encouraging each employee to realize his/her full potential.

Management allocate healthy budget for this purpose and in 2017-18 fiscal period a total of 284 employees including workers, staff, officers, executives, managers and new recruits received relevant training ; of them 04 department heads went abroad to participate in transnational training courses.

MIS & IT Department

With timely accurate and relevant information, higher management can effectively set priorities, respond to changing conditions, allocate staff and resources and meet the needs of market. An effective management information system (MIS) can synthesize the large volume of data generated by pharmaceutical management operations. It then processes the data into information for use in planning activities, estimating demand, allocating resources and monitoring and evaluating pharmaceutical management operations. This information can be in the form of a few key indicators that allow staff at all levels to monitor both their own performance and that of the units for which they are responsible. A good MIS also alerts staff to identify the problems and triggers for critical actions. Another important function is to improve accountability. Much of the recording and reporting in a MIS is intended to create an audit trail for products as they enter or leave to a supply system.

Delta Pharma Limited has taken necessary steps and adopted automation system to deliver information and services to customer and stakeholders. From this initiative the customer and stakeholders will be benefited in terms of transparency, easy accessibility of services, improvement of internal processes and decision support system. To provide these benefits Delta Pharma Limited has already established IT based Computer Center consists of high-speed internet connectivity, email server, oracle database server, mobile based application server under the MIS & IT Department developed and maintained by a group of in house expert IT professionals.

Software Development and Implementation:

Our software engineers have developed some in-house web-based ORACLE software to provide better integration and data protection. We have planned to provide and implement all software modules that required by the various departments by 2019.

Local Area Network (LAN):

Every computer in the Corporate Head Office is under Local Area Network (LAN). These are maintaining with maintaining IPv4 compliant (Internet Protocol Version 4) by IT department. 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 have newly installed an email server and mobile application server and oracle software which are also connected with our LAN as well as outside network.

Website (www.deltapharmabd.com):

A website is a gate way to provide value added service to your customers and clients and is a great way to keep them coming back to us when they need our products or services. No matter what products we sell, we can share all sorts of information to our customers of our company and also about the products.

Delta Pharma Limited website is developed by us using the PHP, HTML, CSS, Java Script, jquery and MySQL. We are updating the website using Raw PHP and Laravel Framework. From our website anybody can learn about organizational overview, company profile, its functions, subordinate offices, policies, publications, statistical data/information on functional parameters. The web site highlights our products, especially newly launched products and details. The website also provides information on international business operations.

Hardware Solutions:

To run smooth flawless computerized system, we have efficient and experienced in-house Engineers. They are providing uninterrupted services and maintain the system and handle any kind of situations all the time. We are now using our computers and peripherals with high configured hardware. We have a high configuration server which is configured with Linux and Oracle Server. In corporate office and plant, both the premises are monitored by Close Circuit cameras. Biometric devices are being used to establish better time management and for access control. We have installed radio link tower at plant for uninterrupted internet connectivity with corporate office as well as other networks.

Servers:

We have 04 Server (Oracle Database Server Linux Based, Android Apps Server Windows Server base, Zimbra Email Server Linux Based, SQL Server and Antivirus Server). In future we have a plan to establish an FTP Server to archive our various valuable documents into electronic format. A print server will be established which will be controlled by IT Department.

Management Information System (MIS)

Information is one of the most useful resources of a business organization. The planning process for a pharmaceutical company should include a management information system (MIS). The MIS is an organized system for collecting, processing, reporting and using information for decision making. Information for each subsystem is collected by means of –

- Record-keeping documents, a combination of registers, ledgers and filing system that typically are not circulated;
- Information reporting forms, such as periodic status reports, that transmit data to other department or levels for use in making management decisions;
- Feedback reports, also called analytical reports, that are usually provided to the units that collected the data;

To collect, compile and analyze such information and to generate reports in time Delta Pharma Limited has setup an MIS section. Like other professional organizations, Delta Pharma Limited uses a number of data-driven marketing strategies. Therefore, to make right management decision a well-organized data source, data analysis and report is essential. The MIS team is providing managers feedback about their own performance; strategy development and top management can monitor the company as a whole through it. Information displayed by the MIS typically shows "actual" data against "planned" results; thus, it measures progress against goals.

BUSINESS OPERATIONS

Every day we serve

Every day around the country, Delta's product is helping the people to live a better and healthier life. A number of energetic professionals like Physicians, Pharmacists, Chemists, Microbiologists and Engineers are working hard for day and night to ensure the production of the life saving medicines, a number of business professionals are serving relentlessly to convey the business information to the customers, a group of sales reps distributes the products to the every corners of the country. It is our real pleasure of our life to serve the ailing humanity.

Developing human resources and promoting total health

Human resources are the key assets and the main source of corporate growth for a growing pharmaceutical company like Delta Pharma. We consider the HR development as long-term better investment. Without doing so, we cannot sustain the company's growth into the future or increase its values as a creative, innovative company. Delta Pharma undertakes a wide range of human resource development programs that include opportunities for training abroad also.

Promoting products based on scientific evidence in an ethical way

We at Delta Pharma aim to promote our brands through scientific evidence and results of recent clinical trials. We do believe that providing correct and up-to-date information about the brands and to practice ethics in our business operation are better way to gain trust and confidence from the prescribers and customers.

Offering medicine at an affordable price to support everyday wellbeing

As a business enterprise Delta Pharma aims to maximize profit for its shareholders. But at the same time Delta Pharma consider the socioeconomic condition of the country. Considering all of these factors Delta Pharma set the price of their products at a point which is most affordable for the patients and at the same time ensures the quality. Currently, many of our competitors have enhanced their product price but our company has not changed our pricing policy but tries to offer the right price for our customers with highest quality.

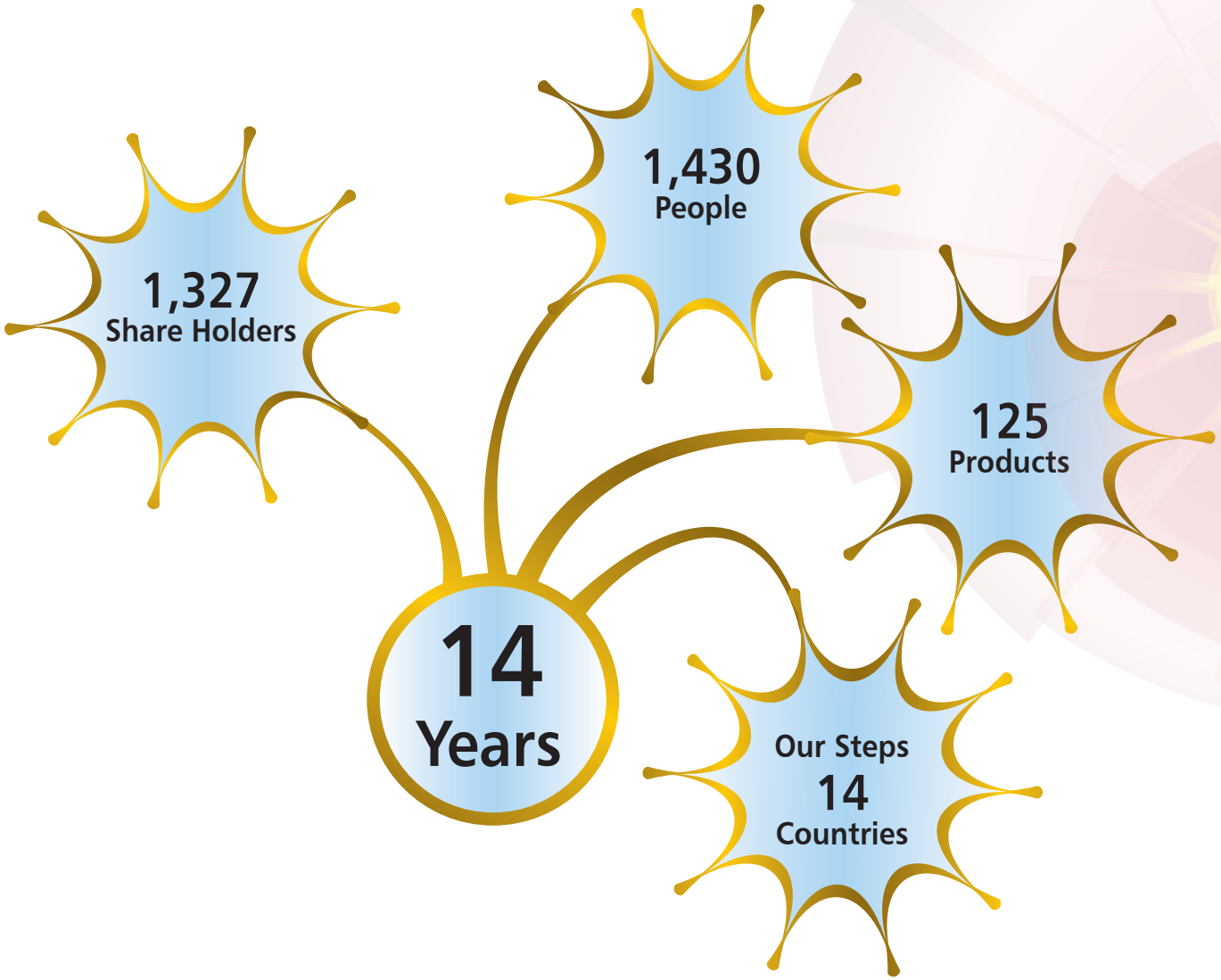
Accelerating global expansion and fostering new products

To maintain the continuous business growth we are focusing on expansion of global market as well as introducing new products. To increase the international sales we are exploring new countries especially in African market and also striving to register new products in the existing foreign markets.

Focusing on Chronic care brands

Chronic care brands always give long term revenue for the pharmaceutical companies. Keeping this fact in mind we are focusing on chronic care brands especially in Cardiovascular and anti-diabetic portfolio.

Delta Pharma currently produces 83 generics with 125 strengths and dosage forms. Delta Pharma's portfolio encompasses various therapeutic categories including Antibiotic, NSAIDs, Anti-Ulcerant, Anti-Hypertensive, Lipid lowering Agent & Combination, Anti-Platelet, Anti-Diabetic, DMARDs, 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, Benign Prostatic Hypertrophy Agent, Systemic Alkaliser, Mucolytic Agent and Vitamin and Minerals. In 2017-2018 fiscal year Delta Pharma expanded its portfolio with 09 new products that includes 03 new generics. The newly launched products are two anti-impotence, a vitamin, two anti-asthmatics, an anti-histamine, two anti-diabetics and a cough suppressant. Two products were launched for the first time in Bangladesh. The Company has strong capabilities with specialized dedicated production facility for only one product like Methotrax that have differentiated itself from others. Delta Pharma, with its some well-established and balanced portfolio of generics, is able to respond to the needs of physicians, patients, and health care providers, both therapeutically and economically.



What we offer:

Manufacturing and Marketing of **Pharmaceutical Finished Products**

- **Brand: 83**
- **Generic: 83**
- **Therapeutic Class: 26**
- **Products: 125**

Dosage forms those we focus on:

Tablet, XR /SR Tablet and Chewable Tablet

Capsule

Injection

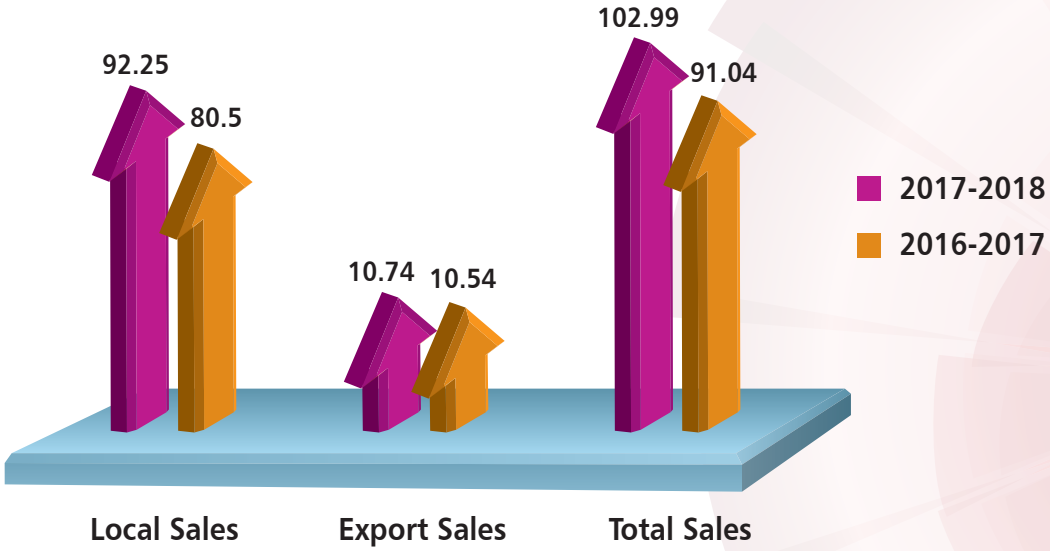
Syrup and Suspension

Sales Statistics

Delta Pharma Limited attained a growth of 13.13% during the year 2017-2018 whereas the overall growth of Bangladesh Pharma market is only 7.72%.Growth in local sales was 14.60% and 1.88 % growth were from export sales.

Sales Contribution (In Taka)

Sales	2017-18	2016-17	Growth
Local Sales	922,527,021/-	804,993,615/-	14.60%
Export Sales	107,382,092/-	105,401,987/-	1.88%
Total Sales	1,029,909,113/-	910,395,602/-	13.13%



Newly Launched Products

We at Delta Pharma always emphasize to create new markets and contribute to patients around the world with unique and innovative products. We are maximizing product values and working hard to move pipeline products more quickly to market.

The capability to create new and innovative formulation is essential for sustainable growth. That is why we have planned to further expand our investment in R&D, looking to increase the number of new brands in the near future to achieve our strategic goal.

But before launching a new brand we do perform an extensive market feasibility of that molecule both for local and international market. In fiscal year 2017-2018 we have launched 03 new brands and did 6 brand extensions.

New Brands

Feona FZ:

This is an essential supplement for pregnant and lactating mothers containing Ferrous Ascorbate, Folic Acid 0.5 mg and Zinc Sulfate. This is a new combination of Iron supplement and has a better advantages over other available iron supplements.

Empazin 10:

Empazin 10is an FDA approved anti diabetic drug, that containsEmpagliflozin 10 mg. Therapeutically it is a Sodium Glucose co-transporter-2 (SGLT-2) inhibitor, which has some distinguish clinical benefits over other anti diabetic agents.

Navafil:

Navafil is a new moleculefor Erectile Dysfunction (ED) that contains Avanafil. It is avail as 50 mg and 100 mg tablet form. It is a new phosphodiesterase-5 inhibitor that is faster acting and more selective than other drugs belonging to the same class. Delta Pharma launch this brand for the "First Time in Bangladesh"

The brand of trust

Methotrax

Methotrexate 2.5 mg & 10 mg Tablet

- 1st choice DMARD for Rheumatoid Arthritis
- Faster onset of action than leflunomide and sulfasalazine
- DMF grade Raw Material ensures higher level of potency
- Dedicated manufacturing unit with highly sophisticated equipment and machineries follows cGMP

The Country Brand Leader since Introduction as 1st time in Bangladesh

Brand Extension

Montela 4

Montelukast 4 mg Chewable Tablet

3 x 10's

Meera Syrup

Butamirate Citrate 7.5 mg/5 ml

100 ml

Doxobid 200

Doxofylline 200 mg Tablet

30's

Linatin M 850

Linagliptin 2.5 mg+

Metformin Hydrochloride 850 mg Tablet

30's

Delfex Suspension

Fexofenadine Hydrochloride 30 mg/5 ml

50 ml

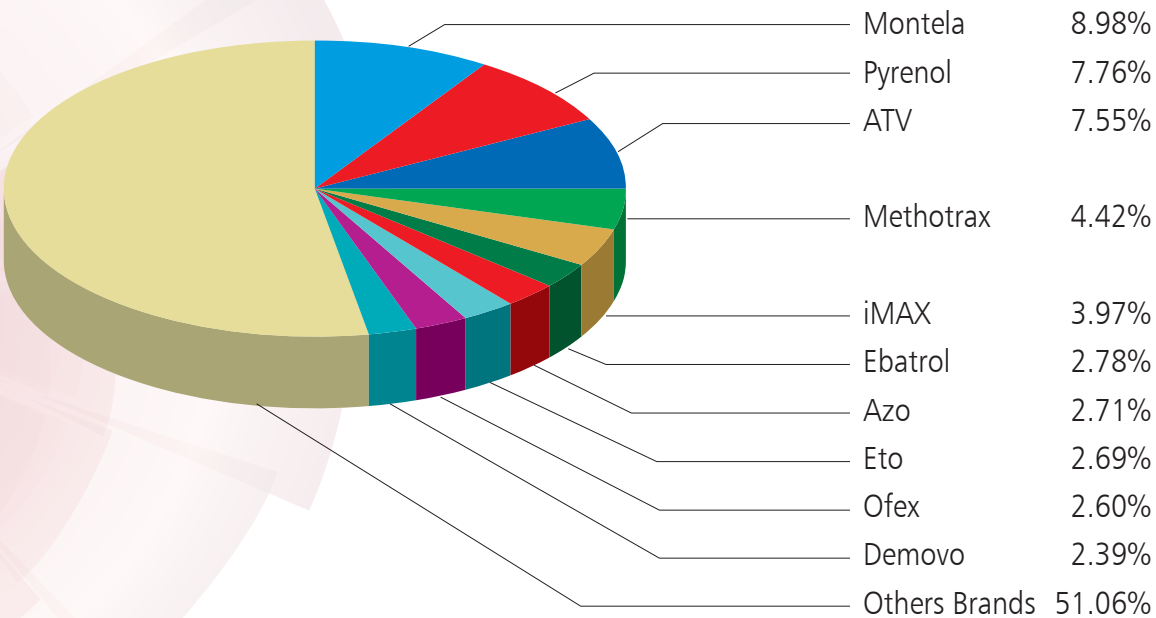
Our Product Achievement in 2017-2018:

- Methotrax still holds the 1st position in DMARD market of Bangladesh in terms of prescriptions and sales.
- ATV is the 4th brand as per independent prescription survey in this year and according to IMS 2nd Quarter'2018 sales data; ATV is now in the 6th position in Atorvastatin market of Bangladesh with 4.33% market share.
- In 2017-2018, Montela was the leading revenue earning brand which was the top most promotional and Prescription brand in 2017-2018 and followed by Pyrenol and ATV.

Brand Contribution

Top Brands

SL	Brand	Contribution in 2017-18	Contribution in 2016-17
1	Montela	8.98%	8.39%
2	Pyrenol	7.76%	14.39%
3	ATV	7.55%	9.26%
4.	Methotrax	4.42%	4.56%
5.	iMAX	3.97%	5.07%
6.	Ebatrol	2.78%	4.49%
7.	Azo	2.71%	5.48%
8.	Eto	2.69%	5.72%
9.	Ofex	2.60%	4.81%
10.	Demovo	2.39%	3.92%
11.	Others Brands	51.06%	35.47%



Annual Marketing & Sales Conference

For the motivation and to accelerate the working force, for the first in the Pharma Industry, we have arranged our Annual Marketing & Sales Conference 2018 in Kuakata, Patuakhali. It was a very exciting and charming event for Delta Pharma Limited.

Zonal Brand Manager

We have started a new Marketing wing only to promote our chronic care brands to the top potential doctors based on the independent survey. Primarily we have divided the total market into five Zones and we have created 5 Zonal Brand Manager post. Recently they have started to visit those selected potential prescribers and promote selected brands to them.

CME Program

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.

Institutional Business Operation

During this fiscal year (2017-18) we did business with Directorate General of Family Planning (DGFP), Central Medical Stores Depot (CMSD) of DGHS, Kurmitola General Hospital at Dhaka, Bangladesh Ansar and VDP (HQ & Hospital), Border Guard Bangladesh (BGB), Ganasastho Hospital, Faridpur Medical Collage & Hospital, Islamic Mission, and Memorial Christan Hospital Hospital, Chittagong after successfully bidding in the tender. We have also done some business with the health camps, operating in the Rohinga Camps at Cox's Bazar. We are also exploring opportunities in other government and renowned private institutes to expend our business in this segment. We hope in coming years we will increase our business from this segment and this business will also help to boost our corporate image amongst the general people of the country.

Sales Team

Delta Pharma is proud to have a dynamic, dedicated and highly skilled sales team. To accelerate administrative activities, the sales team is organized with four division and eighteen regions. Currently we have a team of around 600 Medical Promotion Officers (MPO) under the supervision of 110 Field Managers. Every day our professionally trained sales colleagues meet with their valuable customers and share up to date scientific information and solution of various medical problems. With sustainable growth we will increase the size of our sales team in the coming days.

sales forces are posted after giving them a rigorous and well-structured 45 days training by the highly skilled professionals. Not only that, every month we arrange training programs for the sales forces to keep their knowledge updated.

Distribution Channel

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 (fifteen) 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 Wings. 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 requirements. We have sufficient number of delivery vans to ensure smooth delivery of all categories of product 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.We have also a plan to establish a Depot in Gazipur for the smooth delivery around Dhaka.

Delta CSR: What we do for the society

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.

The approach of Delta Pharma to social responsibility is driven by the commitment to live up to its corporate philosophy "Quality Product at an affordable price". The people at Delta Pharma offers new products for better health worldwide. Delta Pharma contributes to society in various ways, including support to the free medical camp, sponsoring national and international scientific seminars, donation for the treatment of severely ill patients, donation to the school, medical journal, national days celebration, building of hospital, Masjid & orphanage etc.

Delta Pharma also promotes various health-oriented days like World Heart Day, World Hypertension Day, World Arthritis Day, World Diabetes Day, World Osteoporosis Day etc. in every years.

We have also attended in the Government CSR program at Bhutan. We have already provided the free medicine to the people of Bhutan through Bangladesh Aushudh Silpa Somity and DGDA.

INTERNATION BUSINESS OPERATION

Importance of international business in Bangladesh Pharmaceutical Market is increasing day by day. We are also trying to give it due priority since beginning. Management of the company has given highest priority in developing the International business expansion according to the plan and vision we set. We had started the African market exploration in an extensive way last couple of year ago, but the result is still to come and to be reflected in the business outcome. We are expecting that we will get some visible result in 2019 Insha Allah!! Consolidation of Asia is also going on simultaneously and expecting that we will be able to reflect the result in the business out come in 2018-2019 fiscal years. The major achievement that we have in 2017-2018 is getting the cGMP Clearance Certificate of FAD Philippines as the first company of Bangladesh after being Inspected in February 2016. We are also expecting to be visited by Uganda FDA and Ethiopian MOH for our cGMP Approval to get our products registered in 2nd or 3rd quarter of 2019. Another inspirational thing is that we are getting a lot of interest on contract manufacturing of some newer molecule by some of the renowned company of the World Like "Cipla India, Sun Pharma India, Jl Morisson, Sri Lanka". We started the discussion for Contract manufacturing and technology transfer as well for the newer patented products which are not being allowed to manufacture and export by INDIA. Undoubtedly it's a new opportunity and we have to grab it. To grab these opportunities we need to improve ourselves qualitatively, quantitatively as well as technically to meet the demand of world standards documentation and process practice as well.

Business operations:

Our existing business operation was not appreciable in 2017-18 fiscal years. Main reason behind that was changing in the regulatory system in most of the countries where we were operating. We had submitted a lot of products registration and were expecting that we will get some of them and in anticipation of that we had forecasted a remarkable growth. Unfortunately due to the delay in the registration process we fail to register a considerable growth in the business but we managed to equalize the volume a little higher than the previous year. Still we do not have a solid foundation for the Export business expansion in Africa due to infrequent communication, lacking in quality documentations and trusting the partners because of some bitter experience in past. The regulatory requirements for registration of medicinal products are getting difficult and expensive day by day. Its mainly because of the awareness build up by the different agencies among the Imported medicine user of the world wide about the importance of quality medicine.

Country wise analysis:

PHILIPPINES: It is the country we have our own control in selecting products and prices according to our wish. We have already stated that this fiscal Year we have got the Approval from FDA, Philippines as a foreign cGMP Compliance Manufacturing Plant. It was expected to get last quarter of 2017 but unfortunately we have it issued June 2018. Our growth in business was not as per the expectation but it registers a positive trend. We are in the process of submitting some new products for initial registration as well as to continue with the products that are available keeping it renewed to keep the business trend upwards.

VIETNAM: Vietnam was our highest revenue since beginning but due to some stringent regulatory changes we register almost a 50% negative growth in business. Most of our value earning products is expired and renewal becomes uncertain. We had given a specific plan to develop some new molecule for that market to rescue, unfortunately due to some unavoidable reasons we could not submit any product document in between November 2017-October 2018. We are trying our best to keep the total Export business volume in an upward trend by increasing in other countries business. But it is difficult to cover up deficit of a leading contributor by the small ones.

CAMBODIA: Delta Pharma is doing business in Cambodia since 2015. Year to year we are registering growth in a positive way. Cambodia is still having a very easy going registration procedure and taking this opportunity most of the Bangladeshi Companies are doing business in Cambodia as a result things became more price related strategy why we targeting business increase volume. We are targeting a balanced product mix of newer and conventional product list and we are getting a good response still now. But for future we can think of starting a own controlled importation and distribution operation system for maximizing business.

MYANMAR: We are registering positive growth in Myanmar in a commendable way since 2015-2016 fiscal years. Current year we also have a remarkable growth. The possibility of increasing business in Myanmar is very high as the Country is still 97-98% dependant on Import medicine. The main barrier is getting the quick registration and price war for the older generic as older generics are flooded with very low cost products from Bangladesh, India, Thailand, China, Pakistan, Indonesia etc. Registration process is still within our capacity but still it takes almost two years after submission. The market has the potential to give us revenue more than what we imagine. We need regular communication and good market understanding what to register and with whom as we have five Importers in Myanmar. We are hopeful that we can get business of around $ 2.00 million within 2022 if we get the expected products and qualified manpower for the Myanmar Market.

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 2019

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.

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. Continue exploring western Africa and French speaking East African countries in 2019 with special focus on Tanzania, Uganda, Ethiopia, Ghana, Zimbabwe, Somalia and Malawi.
3. Other than this, we will also explore Latin American Countries and the Caribbean Islands specially PERU and Chile as well as other semi regulated medium and small markets in Asia/Africa and Latin America where Bangladeshi products are already introduce by different companies.

Achievements in 2017-2018

1. cGMP clearance issued by FDA Philippines for registration and Importation of Delta Pharma Products as a cGMP Compliant Manufacturing production facility.
2. Selecting Finished Pharmaceuticals products export eligible for getting 10% cash incentive by the Bangladesh Government as part of promoting export development.
3. Getting a number of inquiries for Contract manufacturing interest especially for the patented products.

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 threats 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 managing the challenges by improving our knowledge and dedication and also by 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 2017-2018 and FY 2016-17.

Name of Country	2017-18		2016-17		Growth
	USD	BDT	USD	BDT	
Philippines	418,012	34,359,704	317,170	25,049,883	37.17%
Vietnam	268,404	22,014,221	533,032	42,138,855	-47.75%
Cambodia	144,340	11,776,814	84,235	6,663,189	76.74%
Myanmar	316,684	25,899,750	238,574	18,888,202	37.56%
Guatemala	60,429	4,934,291	14,681	1,161,593	324.79%
Srilanka	96,210	7,876,998	102,260	8,008,029	-2.60%

MAJOR HIGHLIGHTS OF 2017-2018

- We have procured some production machineries and other equipment for QC and QA department which will increase the production capacity and enrich the ability of ensuring the product quality.
- Introduced 09 new products including 03 new brands.
- A dedicated Cephalosporin production unit is near to complete. Within very soon this unit will be completed with modern machineries and equipments.
- We have registered 04 Products in Myanmar, 02 Products in Cambodia and 01 product in Sri Lanka.

POST BALANCE SHEET DEVELOPMENT

In the first and second quarter of FY 2018-19, we have launched 04 new products and another 02 products are in process for launching.

Sl. No.	Brand Name	Pack Size	Launching Date
1.	Tofacit Tablet	10's	03-07-2018
2.	Tofacit XR Tablet	10's	03-07-2018
3.	Sun D 40000 Capsule	10's	08-10-2018
4.	Sun D 20000 Capsule	10's	08-10-2018

We have registered 05 Products in Myanmar, 01 Products in Cambodia and 01 product in Sri Lanka during this period of time.

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 Private Limited Company of DPL named Delta API Ltd. (DAPIL). Apart from the manufacturing of API, the marketing of API will also be done through this new company. Meanwhile 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 two installment of 1,54,20,374 (One core fifty four lakes twenty thousand three hundred and fifty four) taka each and also paid the required money for constructing the Central ETP there.

The Core Working Group and a Technical Advisory Group is working to establish the R& D lab for Delta API Ltd., which will be set up at 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, equipment and the technologies from different countries. The marketing feasibility study of selecting molecules has been done. We have primarily selected some molecules and the selection process is going on. We have also recruited some technical person dedicated for Delta API Ltd.

b. Industrial Plot at Tongi:

RAJUK authority has allocated a plot measuring one Acre at Tongi, Gazipur for Delta Pharma and after the total payment of the plot, the RAJUK authority 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.

c. 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 allocated 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. We have deposited TK. 15,00,000 (Taka Fifteen lac) as security and also paid the first Installment of Tk. 3,57,60,000 (Taka Three Crore Fifty Seven lac Sixty thousand only) for the said project.

DIRECTORS' REPORT

Dear Shareholders,

As-Salamu-Alaiqum.

On behalf of the Board of Directors of Delta Pharma Limited I am pleased to place before you the Directors' Report and Audited Accounts of the company for the year ended 30 June 2018 along with the report of the auditors thereon for your consideration.

General Economic Overview

Bangladesh has made remarkable progress in reducing poverty, supported by sustained economic growth. Based on the international poverty line of $1.90 per person per day, it reduced poverty from 44.2 percent in 1991 to 13.8 percent in 2017. In parallel, life expectancy, literacy rates and per capita food production have increased significantly. Progress was underpinned by 6 percent plus growth over the decade and reaching to 7.3 percent in 2017. In 2018, Rapid growth enabled Bangladesh to fulfill all three eligibility criteria for graduation from the UN's Least Developed Countries (LDC) list for the first time and is on track for graduation in 2024.

The government's supportive policy towards the pharmaceutical industry remains unchanged. The government has completed the development of an exclusive industrial park to accommodate API manufacturing facilities for pharmaceuticals companies. Delta API is a subsidiary company of Delta Pharma Limited, has been allotted 327 decimals of land. Current tax policy allows reduced corporate tax for newly established undertakings for a period of three to five years depending on the location of the industry. A 20% cash payback on export of API is also available under the tax incentive scheme.

Pharma Sector in Bangladesh

The pharmaceutical market in Bangladesh remains tiny compared to the population size because of the lack of spending power of the population. Pharmaceutical spending is also amongst the lowest in the world in per capita terms. Healthcare expenditures consist of only 3.4% of GDP. However, the increased awareness of healthcare and the government's increased expenditure in this sector is causing the demand to increase in this sector. Average income level of people of Bangladesh has increased. Thus, people have more money to allocate for medical expenditure. Medical and Pharmaceutical facilities in Bangladesh is adopting modern technology. This will largely contribute to the growth of Pharmaceuticals industry of Bangladesh. People of Bangladesh is becoming aware of health day by day. Increased awareness of health will lead to the continuous growth of pharmaceutical sector of Bangladesh.

Bangladeshi pharmaceutical firms focus primarily on branded generic final formulations using imported APIs. As per the report of the Bangladesh National Formulary (BDNF) the country manufactures about 13,026 types of generic products and 24,404 registered brands in different forms of dosages and strengths. These include a wide range of products from anti-ulcerants, antibiotics, vitamin and minerals, anti-rheumatics, NSAIDs, cardiovascular

drugs, antihistamines, anti-diabetic drugs etc. Some larger firms are also starting to produce anti-cancer and anti-retroviral drugs. Domestically, Bangladeshi firms have 94% of the market share and MNCs have only 6%. Although 275 pharmaceutical companies are registered in Bangladesh, only about 151 are actively producing drugs. The top 30 to 40 companies dominate almost the entire market; the top 10 hold 68% of domestic market share.

Sales and Profitability

A local sale is the major contributor to revenue with 89.57% of sales being made in our local market.

The company achieved net domestic sales of Taka 922.53 million in 2017-18. This is 14.60% increase over comparative prior period. We added 09 new products to our portfolio. Each of our key therapeutic brands performed well and achieved growth that exceeded the market. Along with domestic sales, our export also reached high registering a 1.88% growth over the previous year to Taka 1.98 million in 2017-2018. The proportion of export sales to local sales is steadily increasing.

During 2017-18, Profit before tax reached Taka 36.61 million and profit after tax Taka 22.22 million. We managed to maintain gross profit at 53.74% in 2017-18.

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 2017-2018 was BDT 464.73 million with 20.12% increase compared to last year. As a combined effect of the revenue growth and increased operating expenses, the operating profit has decreased BDT 16.71 million in 2017-2018 compared to last year. Net profit margin for the year 2017-2018 was 2.16% compared to 4.90% in last year.

Linatin M

Linagliptin 2.5 mg and
Metformin Hydrochloride 500 mg & 850 mg Tablet

...maximizes the legendary living

- **More effective than monotherapy in glycemic control**
- **Pregnancy category B**
- **Procuring API from FDA approved source**
- **Most affordable brand**

CORPORATE GOVERNANCE

Delta Pharma is committed to ensuring the highest levels of corporate governance at all times despite a non-listed company. Transparency and Openness is one of the core values and is embedded in the philosophy of the organization. This report presents the company's corporate governance framework and the structures and processes that work to ensure a continued commitment to sound governance.

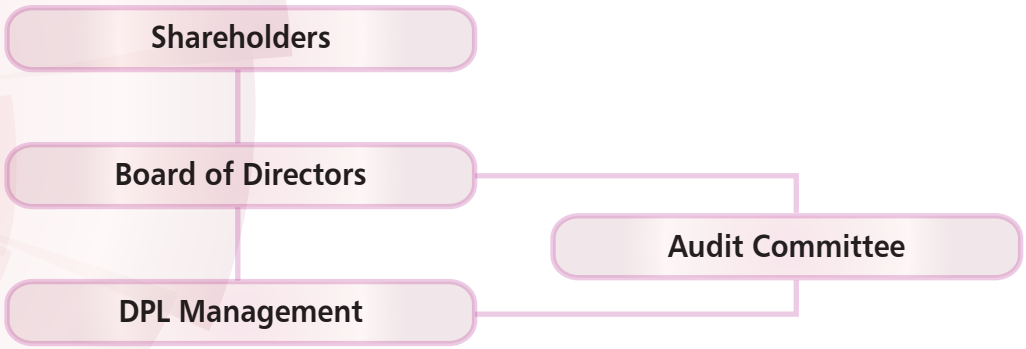
The company's philosophy on corporate governance is aligned with the basic belief that a company which is proactively compliant with the law and which adds value to itself through corporate governance initiatives would also command a higher value in the eyes of present and prospective shareholders. Delta Pharma believes that corporate governance is not an end in itself but is a catalyst in the process towards maximization of shareholder value.

The parties having critical roles in the overall governance programs and contributing to the process of corporate governance are:

The Board of Directors: responsible for making policy, oversight and directions;

Executive Management: responsible for driving governance and risk management practices; and The business units and supporting functions: where the risk activities occur and ownership lies.

Structure of Delta Pharma's Corporate Governance:



BOARD OF DIRECTORS:

Composition:

Delta Pharma's philosophy to have constructive separation of the Management of the company from its owners manifests itself in the composition of the Board of Directors which comprises 8 (eight) Directors. The Board has in-depth knowledge, skills, and vast experience in the context relevant to the Company. The Directors' Report along with their profiles have been presented in this Annual Report.

Role & Responsibilities:

The Board establishes structures and processes to fulfill Board responsibilities that consider the interests of shareholders, regulators, management and employees among others. The major responsibilities of the Board are as follows:

- Oversee management and set goals and direction;
- Evaluate strategy and review management performance;
- Review management succession planning;
- Monitor and manage potential conflicts of interest;
- Ensure the integrity of financial information;
- Monitor the effectiveness of Board Governance Practices;
- Ensure compliance to laws and regulations;
- Ensure adherence to company polices and guidelines;
- Perform risk assessment and ensure integrity of company's financial reporting.

Statement of Directors on Financial Reports

Directors are pleased to report the following:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards (IASs)/Bangladesh Accounting Standards (BASs)/International Financial Reporting Standards (IFRSs)/Bangladesh Financial Reporting Standards (BFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements.
- Internal Control System is sound in design and has been effectively implemented and monitored.
- There is no significant doubt about the ability of the Company to continue as a going concern.

Board Meetings and Attendance

Total 08 meetings of the Board of Directors were held during the year (1st July 2017 to 30th June 2018).Attendance record of the Directors at Board meeting is as follows:

Name of the Director	15 Jul '17	06 Sep '17	19 Oct '17	24 Nov '17	21 Dec '17	09 Jan '18	25 Mar '18	9 Apr '18
Mrs. Ferdousi Akhter	√	√	√	√	√	√	√	√
Dr. Md. Zakir Hossain	√	√	√	√	√	√	√	√
Mrs. Nadira Begum	√	√	√	-	√	√	√	√
Mrs. Nazneen Akhter	√	√	-	√	√	√	√	√
Prof. Dr. Abdul Bayes Bhuiyan	√	√	√	√	-	√	√	√
Mrs. Monira Jahan	√	√	√	-	√	√	√	√
Mr. Golam Farook	√	-	√	√	√	√	√	√
Mrs. Rifat Hossain	√	√	√	√	√	√	√	√

Delegation of Authority for the Chairman and Managing Director

The role and responsibility of Chairman and Managing Director of our company are clearly spelled out at the Articles of Association of the company. 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

The Board currently has two sub-committees which are the Audit Committee and Annual Business Plan Evaluation Committee. The committees have been delegated responsibilities to assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and implement transparency with its monitoring system as well as evaluate the periodic progress of company's annual business plan. The duties and responsibilities of the committees are clearly defined by the Board.

Audit Committee

The Audit Committee is constituted in line with the Corporate Governance Code of Bangladesh Securities and Exchange Commission. The committee comprises of 5 (five) members. The ToR of Audit Committee is approved by the Board. The Audit Committee met 02 times during the year (1st July'17 to 30th June'18). The Audit Committee report on the reporting period is presented here.

Annual Business Plan Evaluation Committee

The Annual Business Plan Evaluation Committee comprises of 7 (seven) members. The major responsibilities of the committee are 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 01 time during the year (1st July'17 to 30th June'18).

The Management Team

The senior management plays a significant role in managing the business as per norms of corporate governance, the company's code of conduct, company's service rules, business plan.

The Team ensures that adequate internal controls are in place and supported through a strong internal control framework. The implementation of the Board's plans, responsibilities and duties is carried out by the management team lead by the Managing Director.

Financial Reporting

Financial reporting system is the backbone of a successful information structure. Delta Pharma has strong and professional financial reporting procedures in place. 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. After all internal scrutiny, the financial reports are placed before the Board for final review and approval. Finally the Board recommends on the yearly audited Financial report for placing before the Shareholders' in the Annual General Meeting for their consideration.

Internal Control Over Financial Reporting

The company's internal control system is designated at Board and Management levels to provide reasonable assurance regarding the achievement of the Company's objectives in respect of effectiveness and efficiency of operations, reliability of financial reporting. Preparing reliable financial information is a key responsibility of the management. The company has strong internal control system 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.

The key constituents of the internal control system are:

- Establishment and periodic review of business plans;
- Identification of key risks and opportunities and regular reviews by top management and the Board of Directors;
- Policy on operational and strategic risk management.

Supply Chain Management

- In time send them to plant site
- Manufacturing
- Bring the finished products at central warehouse at Dhaka
- Distribute them to depots in time with ensuring no damages and quality intake

A strong and capable team is deployed to manage the supply chain efficiently. Gradually we have been strengthening this area with training and motivation.

Related Party Transactions

To review any related party transactions and conflict of interest situations that may arise within the company, including any transaction, procedure or course of conduct that may raise questions of management integrity. Board and Audit Committee examine and review the matter diligently. During the year under report there are no such related party transactions that exist having influence to the company's business.

Risk and Concern

The company is cognizant of internal and external risks that are likely to impact the business especially those systemic risk that are beyond the reasonable control of the business. Proactive management of these risks is of fundamental significance to ensure our business growth.

The following risks are being dealt:

- Input Risk
- Competition Risk
- Changing Consumer Preference
- Compliance

Over the years, we have put in place a strong framework through which we regularly identify and assess risks and take necessary measures to minimize their impact.

Shareholders Relation

The share department takes every step possible to address the query of shareholders regarding transfer of shares, dividend and dividend certificate distribution. Shareholders can also communicate with their queries to the Managing Director and the Company Secretary. We are prompt at providing solution to shareholders with high importance.

FINANCIAL HIGHLIGHTS

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Gross Turnover	1,029,909,113	910,395,602	755,883,194	671,210,794	606,371,268
COGS	476,463,534	420,067,779	317,379,817	295,359,823	274,560,919
Gross Profit	553,445,579	490,327,823	438,503,377	375,850,971	331,810,349
Net Profit after Tax	22,216,103	44,579,946	32,962,910	27,641,321	25,050,684

Contribution to the National Exchequer

During the year (July'17 to June'18) Tk. 169.83 million paid to the National Exchequer in the form of Value Added Tax (VAT), Advance Income Tax (AIT) etc.

Dividend Policy

The company has been following a steady dividend policy based on the operational performance. 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. Ferdousi Akhter, Mrs. Nazneen Akhter and Mrs. Rifat Hossain 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.

Due to resignation of Mrs. Monira Jahan from the office of Director of the Company, the Board of Directors in their 84th meeting held on 23 September, 2018 appointed Prof. Dr. Abdul Hannan as Director against the vacant post. As per provision of the Articles of Association of the company he will retire in this AGM and being eligible the Board of Directors have recommended him to be reelected.

Dividend

As per the audited financial statement for the year ended on 30 June 2018 and with the recommendation of the Audit Committee, the Board of Director recommended total 05% cash dividend for the year ended 30 June 2018 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 2018-2019 and they will retire in the next Annual General Meeting. This is placed for your consideration with re-fixation of their remuneration.

Acknowledgement

We the Board of Directors would like to thank to all our valued shareholders, all stakeholders including The Directorate General of Drug Administration (DGDA), Bangladesh Aushad Shilpa Samity (BAPI), Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies and Firms (RJSC), banks, leasing companies and suppliers for their continued and invincible support which made the company at this level.

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

Ferdousi Akhter
Chairman

Some remarkable moments in the year 2017-2018

10th Annual General Meeting 2017

10th Annual General Meeting 2017

10th Annual General Meeting 2017

10th Annual General Meeting 2017

Annual Marketing & Sales Conference 2018

Annual Marketing & Sales Conference 2018

Annual Marketing & Sales Conference 2018

Annual Marketing & Sales Conference 2018

Some remarkable moments in the year 2017-2018

Product Launching 2018

Community Development Program at Plant of Delta Pharma Limited

Delta Cricket Team in Corporate League

Delta Pharma team visit to CPHI Mumbai, India 2018

Delta Pharma team visit to CPHI Mumbai, India 2018

Delta Pharma team visit to AOTS in China 2018

Arfican deligates dinner with Delta Pharma Limited

Delta Pharma team visit to Three Pyramid Company, Kenya

Tofacit

Tofacitinib 5 mg Tablet

&

Tofacit XR

Tofacitinib 11 mg Tablet

Makes life lively

- FDA and EMA approved for RA, PsA, UC
- Similar efficacy as Adalimumab
- Shows ouststanding result for Ankylosing Spondylitis in phase II clinical trial

Reumaflex

Hydroxychloroquine Sulfate 200 mg Tablet

Safest and well tolerated

US FDA approved DMARD

for -

- Systemic Lupus Erythematosus (SLE)
- Discoid Lupus Erythematosus (DLE)
- Rheumatoid Arthritis (RA)

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 2018, 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

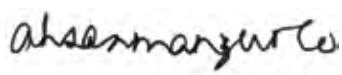
In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the financial position of Delta Pharma Limited as at 30 June 2018 and of its financial performance and its cash flows for the year then ended and comply with 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: 28 October, 2018

Ahsan Manzur & Co.
Chartered Accountants

Delta Pharma Limited

Statement of Financial Position

As at 30 June 2018

Particulars	Notes	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
Assets			
Non-current assets			
Property, plant and equipment	4.00	433,052,859	285,750,805
Capital work-in-progress	5.00	44,525,705	92,360,553
Intangible assets-development phase	6.00	41,433,937	51,792,421
Investment	7.00	126,942,435	81,353,441
Total non-current assets		**645,954,936**	**511,257,220**
Current Assets			
Inventories	8.00	203,958,511	238,486,495
Trade and other receivables	9.00	113,314,113	99,600,006
Advances, deposits and pre-payments	10.00	122,772,800	102,012,251
Cash and bank balances	11.00	11,760,870	10,865,461
Total current assets		**451,806,294**	**450,964,213**
Total assets		**1,097,761,230**	**962,221,433**
Equity and liabilities:			
Shareholders' equity			
Share capital	12.00	359,369,000	328,750,000
Share money deposit		-	12,629,000
Retained earnings	13.00	(51,123,769)	(55,371,422)
Total shareholders' equity		**308,245,231**	**286,007,578**
Liabilities			
Non-current liabilities			
Long term loan & lease obligation (net-off current portion)	14.00	182,299,842	117,346,698
Deferred tax liabilities	15.00	27,558,305	19,344,206
Total non-current liabilities		**209,858,147**	**136,690,904**
Current Liabilities			
Accounts payable	16.00	58,737,275	55,059,354
Short term loan	17.00	255,058,398	244,670,386
Current portion of long term loan	18.00	84,915,756	78,943,538
Profit payable	19.00	18,271,399	19,151,640
Liabilities for expenses	20.00	139,213,550	119,069,027
Dividend Payable	21.00	18,546,748	17,393,736
Provision for taxation	22.00	4,914,725	5,235,270
Total current liabilities		**579,657,852**	**539,522,951**
Total liabilities		**789,515,999**	**676,213,855**
Total equity and liabilities		**1,097,761,230**	**962,221,433**

The annexed notes 01 to 31 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: 28 October, 2018

Delta Pharma Limited

Statement of Comprehensive Income

For the year ended 30 June 2018

Particulars	Notes	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
Revenue	24.00	1,029,909,113	910,395,602
Cost of sales	25.00	(476,463,534)	(420,067,779)
Gross profit		**553,445,579**	**490,327,824**
Administrative, selling and distribution expenses	26.00	(464,727,581)	(386,900,199)
Profit from operation		**88,717,998**	**103,427,623**
Finance costs	27.00	(52,613,521)	(50,102,383)
Gain on disposal of fixed assets	28.00	505,180	-
Profit before income tax		**36,609,657**	**53,325,241**
Income tax expense	29.00	(14,393,554)	(8,745,295)
Net profit/(loss) after tax		**22,216,103**	**44,579,946**
Basic Earnings Per Share (per value Tk.100)	30.00	**6.18**	**13.56**

The annexed notes 01 to 31 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: 28 October, 2018

Ahsan Manzur & Co.
Chartered Accountants

Delta Pharma Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Particulars	Share Capital	Retained Earnings	Amount in Taka Total
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**
Balance at 30 June 2017	328,750,000	(55,371,422)	273,378,578
Net profit for the year	-	22,216,103	22,216,103
Issue of new shares	30,619,000	-	30,619,000
5% Cash dividend	-	(17,968,450)	(17,968,450)
Balance at 30 June 2018	**359,369,000**	**(51,123,769)**	**308,245,231**

The annexed notes 01 to 31 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: 28 October, 2018

Delta Pharma Limited
Statement of Cash Flows
For the year ended 30 June 2018

Particulars	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
Cash flows from operating activities		
Receipt from customers	1,016,195,006	883,790,024
Payment to suppliers	(407,282,365)	(357,635,281)
Payment to employees & others	(461,120,893)	(354,272,110)
Net cash generated from operating activities	**147,791,748**	**171,882,633**
Interest paid	(53,493,762)	(50,261,713)
Income tax paid	(6,500,000)	(20,384,467)
A. Net cash generated from operating activities	**87,797,986**	**101,236,453**
Cash flows from investing activities		
Acquisition of property, plant & equipment	(38,061,771)	(70,549,329)
Additional Capital work-in-progress	(86,439,748)	(15,967,969)
Investment	(45,588,994)	(18,853,441)
Development expenses	-	(5,240,540)
B. Net cash used in investing activities	**(169,390,513)**	**(110,611,279)**
Cash flows from financing activities		
Receipt/(Re-payment) of long term loan	70,925,362	(16,176,580)
Receipt/(Re-payment) of short term loan	10,388,012	25,420,331
Dividend paid	(16,815,438)	(12,243,764)
Share capital and deposit for share	17,990,000	8,964,000
C. Net cash (used in)/ Provided by financing activities	**82,487,936**	**5,963,987**
Net Increase/(decrease) in cash and cash equivalent (A+B+C)	**895,409**	**(3,410,840)**
Cash and cash equivalent at the beginning of the year	**10,865,461**	**14,276,300**
Cash and cash equivalent at the end of the year	**11,760,870**	**10,865,461**

The annexed notes 01 to 31 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: 28 October, 2018

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. 359,369,000 divided into 3,593,690 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 - 12	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 2015)

2.04 Date of authorization for issue of the financial statements

The board of directors in its meeting held on 28 October, 2018 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 2017.

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 direct 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 Standard (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 2018.

(ii) Statement of Comprehensive Income for the year ended 30 June 2018.

(iii) Statement of Changes in Equity for the year ended 30 June 2018.

(iv) Statement of Cash Flows for the year ended 30 June 2018.

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 accordance 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

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

		Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
4.00	**Property, plant & equipment**		
	A.Cost		
	Land & land development	134,704,514	93,014,511
	Factory building	134,139,528	66,777,858
	Plant & machinery	185,402,868	134,170,623
	Electric equipments	10,228,654	5,200,154
	Furniture & fixture	14,803,074	14,693,164
	Automobiles & vehicles	66,290,508	68,422,263
	Generator	17,913,529	17,913,529
	Office equipment	52,142,128	47,021,836
	Electric installation	4,545,868	4,325,002
	Spares & accessories	6,611,118	5,846,482
		626,781,787	**457,385,420**
	B.Accumulated depreciation	193,728,929	171,634,615
	C.Written down value(A-B)	**433,052,859**	**285,750,805**
	(Schedule of property, plant and equipment are given in annexure -A)		
5.00	**Capital work-in progress**		
	Land and Land Development	5,373,400	41,690,003
	Building/Civil work	39,152,305	50,670,550
	Total	**44,525,705**	**92,360,553**
5.01	**This is made up as follows :**		
	Opening balance	92,360,553	76,392,584
	Add: Addition during the Year	86,439,748	59,632,569
	Sub total	**178,800,301**	**136,025,153**
	Less: Transferred to fixed assets during the year	134,274,596	43,664,600
	Total	**44,525,705**	**92,360,553**
6.00	**Intangible assets- development phase**		
	This is made up as follows :		
	Govt. and other license fee	2,284,816	2,856,020
	Product testing and Design	5,938,167	7,422,709
	Accessories QC	4,340,795	5,425,994
	Research development and others	24,004,547	30,005,683
	Product registration & others	4,865,612	6,082,015
	Total	**41,433,937**	**51,792,421**

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 amortization 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	51,792,421	58,189,851
	Add: Addition during the year	-	5,240,540
	Less: Amortization during the year	(10,358,484)	(11,637,970)
	Closing balance	**41,433,937**	**51,792,421**
7.00	**Investment**		
	Trade Investment (7.01)	**126,942,435**	**81,353,441**
7.01	**Trade Investment**		
	Investment in share :		
	Delta Health Care, Mirpur Ltd.	11,500,000	11,500,000
	Delta Health Care, Chittagong Ltd.	4,000,000	2,000,000
	Delta Limited	50,823,441	39,853,441
	Delta Health Care, Rampura Ltd.	10,000,000	7,000,000
	Delta Health Care, Mymensingh Ltd.	11,000,000	11,000,000
	Delta Health Care, Jatrabari Ltd.	11,000,000	10,000,000

	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
Delta API Ltd.	28,618,994	-
Total	**126,942,435**	**81,353,441**

8.00 Inventories

This is made up as follows :		
Raw materials	62,548,718	76,752,515
Packing materials	27,954,616	39,668,604
Work-in-process	10,126,051	9,759,309
Finished goods	62,700,574	70,286,785
Physician sample	8,498,280	7,986,959
Literature & printed materials	14,232,311	13,615,173
Laboratory chemicals	1,103,001	535,140
Material in transit	16,794,960	19,882,010
Total	**203,958,511**	**238,486,495**

9.00 Trade and other receivables

This is made up as follows :		
Accounts receivable (trade) -Local (Note-9.01)	94,826,083	83,152,861
Accounts receivable (trade) -Foreign (Note-9.02)	18,488,030	16,447,145
Total	**113,314,113**	**99,600,006**

9.01 Accounts receivable (trade) -Local

This is made up as follows :		
Opening balance	83,152,861	70,359,957
Add : Credit sales during the year	922,527,021	804,993,615
	1,005,679,882	**875,353,572**
Less : Collection during the year	910,853,799	792,200,711
Closing balance	**94,826,083**	**83,152,861**

9.02 Accounts receivable (trade) -Foreign

This is made up as follows :		
Opening balance	16,447,145	2,634,471
Add :Sales during the year	107,382,092	105,401,987
	123,829,237	**108,036,458**
Less : Collection during the year	105,341,207	91,589,313
Closing balance	**18,488,030**	**16,447,145**

10.00 Advances, deposits & prepayments

This is made up as follows :		
Office working & others	32,074,564	25,090,862
Suppliers	45,685,799	41,715,021
AIT & VAT	34,596,108	26,734,246
Office rent	2,043,963	2,086,463
Deposits & prepayments	8,372,366	6,385,659
Total	**122,772,800**	**102,012,251**

11.00 Cash and bank balances

This is made up as follows :		
Cash in hand	9,610,037	3,294,058
Cash at bank	2,150,833	7,571,403
Total	**11,760,870**	**10,865,461**

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 @ Tk. 100/- each	328,750,000	328,750,000
Issue of 306,190 new ordinary shares @ Tk. 100/- each	30,619,000	-
3,593,690 ordinary shares @ Tk. 100/- each	**359,369,000**	**328,750,000**

	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
12.03 Share money deposit :		
This is made up as follows :		
Opening balance	12,629,000	3,665,000
Add : Addition during the year	17,990,000	8,964,000
Total	**30,619,000**	**12,629,000**
Less : Transfer to equity	30,619,000	-
Closing balance	**-**	**12,629,000**
13.00 Retained earnings		
This is made up as follows :		
Opening balance	(55,371,422)	(83,513,868)
Add : Addition during the year	22,216,103	44,579,946
Less: 5% Cash dividend	(17,968,450)	(16,437,500)
Balance transferred to B/S	**(51,123,769)**	**(55,371,422)**
14.00 Long term loan & lease obligation (net-off current portion)		
This is made up as follows :		
Islami Bank Bangladesh Ltd. Mouchak Br: (HPSM)	45,879,800	16,132,584
Shahjalal Islami Bank Ltd. (HPSM)	97,368	3,939,985
AB Bank Ltd. Kakrail Br: (Term Loan)	176,096	10,408,480
"UFIL, NFL & IPDC(Obligation under finance lease)"	121,293,956	72,256,096
SIBL Dhanmondi Br. (Ijara)	14,852,622	14,609,553
Total	**182,299,842**	**117,346,698**
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	19,344,206	20,040,072
Adjustment/Addition during the year	8,214,099	(695,866)
Closing balance	**27,558,305**	**19,344,206**
16.00 Accounts payables		
This is made up as follows :		
Suppliers & others	58,737,275	55,059,354
Total	**58,737,275**	**55,059,354**
17.00 Short term loan		
IBBL Mouchak Br: Murabaha Trust Receipt (MTR)	94,237,968	84,069,555
IBBL Mouchak Br: (MPIT)	110,528,618	114,444,773
AB Bank Ltd. Kakrail Br: (Over Draft, LTR & Time Loan)	10,228,168	13,255,824
Bank gurantee AB Bank Ltd. Kakrail Branch	2,205,813	2,861,692
Short Term others Loan	29,550,000	21,270,000
SIBL Dhanmondi Br. (Time Loan & LTR)	8,307,831	8,768,542
Total	**255,058,398**	**244,670,386**
18.00 Current portion of long term loan		
This is made up as follows :		
Islami Bank Bangladesh Ltd. Mouchak Br: (HPSM)	12,693,005	10,795,680
Shahjalal Islami Bank Ltd. (HPSM)	3,882,753	3,711,466
AB Bank Ltd. Kakrail Br: (Term Loan)	9,974,679	22,903,046
UFIL, NFL & IPDC (Obligation under finance lease)	54,869,835	38,241,395
SIBL Dhanmondi Br. (Ijara)	3,495,484	3,291,951
Total	**84,915,756**	**78,943,538**
19.00 Profit payable		
This is made up as follows :		
Islami Bank Bangladesh Ltd., Mouchak Br: Profit on MPIT & MTR	18,271,399	19,151,640
Total	**18,271,399**	**19,151,640**

	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
20.00 Liabilities for expenses		
This is made up as follows :		
Accrued expenses, suppliers & others	138,984,662	118,845,416
Audit Fees	228,888	223,611
Total	**139,213,550**	**119,069,027**
21.00 Dividend Payable		
Opening Balance	17,393,736	13,200,000
Provision during the year	17,968,450	16,437,500
	35,362,186	**29,637,500**
Less: Paid during the year	16,815,438	12,243,764
Closing balance	**18,546,748**	**17,393,736**
22.00 Provision for taxation		
Opening balance	5,235,270	16,178,577
Addition during the year	6,179,455	9,441,161
	11,414,725	**25,619,737**
Less: Adjustment during the year	(6,500,000)	(20,384,467)
Closing balance	**4,914,725**	**5,235,270**
23.00 Net Asset Value (NAV) per share		
Total Assets (A)	**1,097,761,230**	**962,221,433**
Less:		
Current Liabilities	579,657,852	539,522,951
Non Current Liabilities	209,858,147	136,690,904
Total Liabilities (B)	**789,515,999**	**676,213,855**
Net Asset Value (NAV) (A-B)	**308,245,231**	**286,007,578**
Total number of ordinary shares	3,593,690	3,287,500
Net Asset Value per share	**85.77**	**87.00**
24.00 Revenue		
This is made up as follows :		
Local Sales	922,527,021	804,993,615
Foreign Export	107,382,092	105,401,987
Total	**1,029,909,113**	**910,395,602**
25.00 Cost of sales		
This is made up as follows :		
Opening stock of finished goods	70,286,785	72,930,287
Add : Cost of goods manufactured (Note-25.01)	476,954,853	425,905,882
Finished goods available for sales	**547,241,638**	**498,836,169**
Less :		
Closing stock of finished goods	62,700,574	70,286,785
Cost of physician sample	8,077,530	8,481,604
Cost of sales	**476,463,534**	**420,067,779**
25.01 Cost of goods manufactured		
This is made up as follows :		
Opening work-in-process	9,759,309	10,629,021
Add: Cost of raw materials consumed (Note-25.02)	246,629,937	220,035,569
Cost of packing materials consumed (Note-25.03)	107,296,042	101,121,462
	363,685,288	**331,786,052**
Less : Closing work-in-process	10,126,051	9,759,309
Total cost of materials	**353,559,237**	**322,026,743**
Manufacturing overhead (Note-25.04)	123,395,616	103,879,139
Total cost of goods manufactured	**476,954,853**	**425,905,882**

	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
25.02 Cost of raw materials consumed		
This is made up as follows :		
Opening stock	76,752,515	85,668,586
Add: Purchase	232,426,140	211,119,498
Raw materials available for use	**309,178,655**	**296,788,084**
Less: Closing stock	62,548,718	76,752,515
Cost of raw materials consumed	**246,629,937**	**220,035,569**
25.03 Cost of packing materials consumed		
This is made up as follows :		
Opening stock	39,668,604	44,169,398
Add: Purchase	95,582,054	96,620,668
Packing materials available for use	**135,250,658**	**140,790,066**
Less: Closing stock	27,954,616	39,668,604
Cost of packing materials consumed	**107,296,042**	**101,121,462**
25.04 Manufacturing overhead		
This is made up as follows :		
Automobiles & vehicles expenses	1,398,845	949,955
Bank charges	37,093	11,417
Carriage Inwards	162,630	107,640
Casual wages	7,735,847	6,542,580
Computer expenses	22,400	61,600
Conveyance expenses	178,546	124,479
Depreciation expenses	20,616,780	16,367,250
Generator expenses	8,178,719	8,587,605
Insurance expenses	594,266	649,003
Laboratory chemicals supply	929,040	1,219,683
Medical expenses	240,393	38,025
Mobile bill	194,912	194,101
Non- Inventory product supply	135,309	10,281
Overtime premium	2,388,312	1,437,715
Printing & stationery	1,083,592	1,012,796
Repair & maintenance	4,699,407	3,028,715
Renewal & registration	625,000	100,000
Salary & allowances expenses	46,621,634	39,464,561
Subs. books & periodicals	3,560	34,620
Training expenses	1,098,150	15,000
Internet Bill	3,600	51,400
Toll Charge	1,417,811	1,438,557
Uniform & cleaning	613,977	466,947
Water, electricity & gas	6,348,366	5,980,067
Welfare & recreation	7,708,943	4,347,172
Development expenses written off (Amortization Exp.)	10,358,484	11,637,970
Total	**123,395,616**	**103,879,139**
26.00 Administrative, selling and distribution expenses		
This is made up as follows :		
AGM expenses	1,069,217	470,710
Audit fees	228,888	223,611
Automobiles & vehicles exp.	8,903,037	6,792,315
Bank charge	565,789	802,072
Corporate affairs	826,730	581,250
Casual wages	2,167,013	1,084,698
Carriage outwards	17,170,089	10,674,912
Computer expenses	356,344	191,029
Conveyance expenses	3,209,781	2,473,553
Depreciation expenses	4,222,714	3,352,328
Export expenses	9,130,498	9,063,527
Generator expenses	98,386	94,064
Insurance premium	662,785	1,195,433

	Amount in Taka 30 June 2018	Amount in Taka 30 June 2017
Internet bill	555,901	525,469
Legal & professional fees	141,500	538,750
Medical expenses	543,487	19,992
Mobile bill	5,646,470	5,248,594
Overtime premium	1,997,990	215,960
Pad, Brochure, Logo etc. expenses	16,337,326	15,355,092
Physician sample cost	6,735,997	4,013,033
Physician sample packing cost	1,011,325	925,945
Physician sample processing & delivery cost	830,212	733,532
Product development expenses	1,661,537	1,410,807
Postage, telephone & fax	24,172	42,817
Printing & stationery	6,004,665	5,381,827
Promotional expenses	39,761,386	25,005,936
Rent, rates & taxes	9,888,839	9,084,710
Renewal & registration	483,610	980,149
Repair & maintenance	4,690,546	998,368
Salary & allowances exp.	311,947,685	273,979,361
Subs. books & periodicals	2,160	4,960
Training expenses	512,764	250,879
Travelling expenses	365,560	-
Water, electricity & gas	2,530,549	2,071,215
Welfare & recreation	4,442,629	3,113,301
Total	**464,727,581**	**386,900,199**

27.00 Finance costs

This is made up as follows :

Profit/Interest on bank loan (MTR & MPIT)	21,364,855	25,647,759
Profit/Interest on bank loan (HPSM)	2,663,660	4,133,766
Interest on lease Uttara Finance & Investments Ltd.	18,182,810	10,417,924
Profit/Interest on HPSM Shahjalal Islami Bank Ltd.	865,023	1,194,872
Profit/Interest on Social Islami Bank Ltd.	2,973,169	1,197,421
Interest on Term loan, Time Loan, OD & LTR AB Bank Ltd.	4,195,417	7,510,641
National Finance Ltd.	2,368,587	-
Total	**52,613,521**	**50,102,383**

28.00 Gain on disposal of fixed assets

Cost price	2,940,000	-
Acc. Depreciation on cost price	2,745,180	-
Net book value	194,820	-
Sales	700,000	-
Gain on disposal of fixed assets	**505,180**	**-**

29.00 Income tax expense

Current tax	6,179,455	9,441,161
Deferred Tax (Income)/ Expenses related to the origination and reversal of temporary differences	8,214,099	(695,866)
Total	**14,393,554**	**8,745,295**

30.00 Earning per share (EPS)

The composition of EPS is given below :

Profit attributable to the shareholders during the year	22,216,103	44,579,946
Weighted average number of shares outstanding at the end of the period (3,593,690 ordinary shares of Tk. 100 each)	3,593,690	3,287,500
Basic Earnings Per Share (per value Tk.100)	**6.18**	**13.56**

31.00 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 board of directors in its meeting held on 28 October, 2018 recommended 5% Cash dividend per share for the year 2017-2018 which is subject to the approval at the forthcoming AGM.

Delta Pharma Limited

Schedule of Property, Plant & Equipment

As at 30 June 2018

Annexure-A

Amount in Taka

Particulars	Cost				Rate of Dep. (%)	Depreciation				Written down value as on 30 June 2018	Written down value as on 30 June 2017
	Balance as on 1 July 2017	Addition during the year	Disposal/ Adjust	Balance as on 30 June 2018		Balance as on 1 July 2017	Charged during the year	Disposal/ Adjust	Balance as on 30 June 2018		
Land & land development	93,014,511	41,690,003	-	134,704,514	0%	-	-	-	-	134,704,514	93,014,511
Factory building	66,777,858	67,361,670	-	134,139,528	5%	20,105,623	4,017,653	-	24,123,276	110,016,251	46,672,235
Plant & machinery	134,170,623	51,232,245	-	185,402,868	10%	55,702,094	10,408,465	-	66,110,559	119,292,309	78,468,529
Electric equipments	5,200,154	5,028,500	-	10,228,654	20%	4,518,081	639,265	-	5,157,345	5,071,308	682,073
Furniture & fixture	14,693,164	109,910	-	14,803,074	10%	7,001,277	774,684	-	7,775,962	7,027,112	7,691,887
Automobiles & vehicles	68,422,263	808,245	2,940,000	66,290,508	20%	54,524,676	2,860,342	2,745,180	54,639,838	11,650,670	13,897,587
Generator	17,913,529	-	-	17,913,529	20%	8,197,206	1,943,265	-	10,140,471	7,773,058	9,716,323
Office equipment	47,021,836	5,120,292	-	52,142,128	10%	16,386,570	3,319,541	-	19,706,111	32,436,017	30,635,266
Electric installation	4,325,002	220,866	-	4,545,868	10%	2,267,925	216,751	-	2,484,676	2,061,192	2,057,077
Spares & accessories	5,846,482	764,636		6,611,118	20%	2,931,164	659,527	-	3,590,691	3,020,427	2,915,318
Total as at 30 June 2018	**457,385,420**	**172,336,367**	**2,940,000**	**626,781,787**		**171,634,615**	**24,839,493**	**2,745,180**	**193,728,929**	**433,052,859**	**285,750,805**
Total as at 30 June 2017	**386,836,093**	**70,549,329**	**-**	**457,385,422**		**151,915,037**	**19,719,578**	**-**	**171,634,615**	**285,750,807**	**285,750,805**

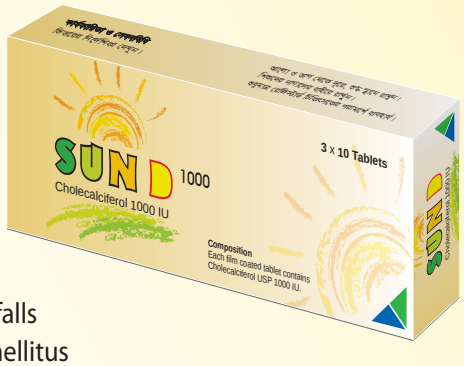
* Depreciation charged during the year:

Head	Percentage (%)	Amount (Tk.)
Manufacturing Overhead	0.83	20,616,780
Administrative expenses	0.17	4,222,714
Total		**24,839,493**

Coming Soon

SUN D 1000

Cholecalciferol 1000 IU Tablet



- Decreases the risk of osteoporotic fractures
- May retard sarcopenia and decreases the risk of falls
- Decreases neuropathic pain in type 2 diabetes mellitus
- Decreases the risk of rheumatoid arthritis and type 1 diabetes mellitus
- Decreases the risk of myocardial infarction
- Decreases the total cancer incidence and mortality

Coming Soon

Ebatrol

Ebastine 5 mg/5 ml Syrup

A novel anti histamine

- **Longer duration of action**
- **Well tolerated in long term therapy**
- **Safe and effective for children (>2 years)**
- **Most adorable mango flavour**

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 11th Annual General Meeting of the shareholders of Delta Pharma Limited will be held on **24 November (Saturday) 2018,** at **10:00 am** at **Conference Hall (1st Floor), LGED Bhaban, Agargaon, Dhaka-1207, 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.

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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 11th Annual General Meeting of the shareholders of Delta Pharma Limited will be held on **24 November (Saturday) 2018,** at **10:00 am** at **Conference Hall (1st Floor), LGED Bhaban, Agargaon, Dhaka-1207, Bangladesh** and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018.

_____ _____

Signature of the Member Signature of the Proxy

Register Folio No. .....

No of shares held: .....

Revenue Stamp Tk. 10.00

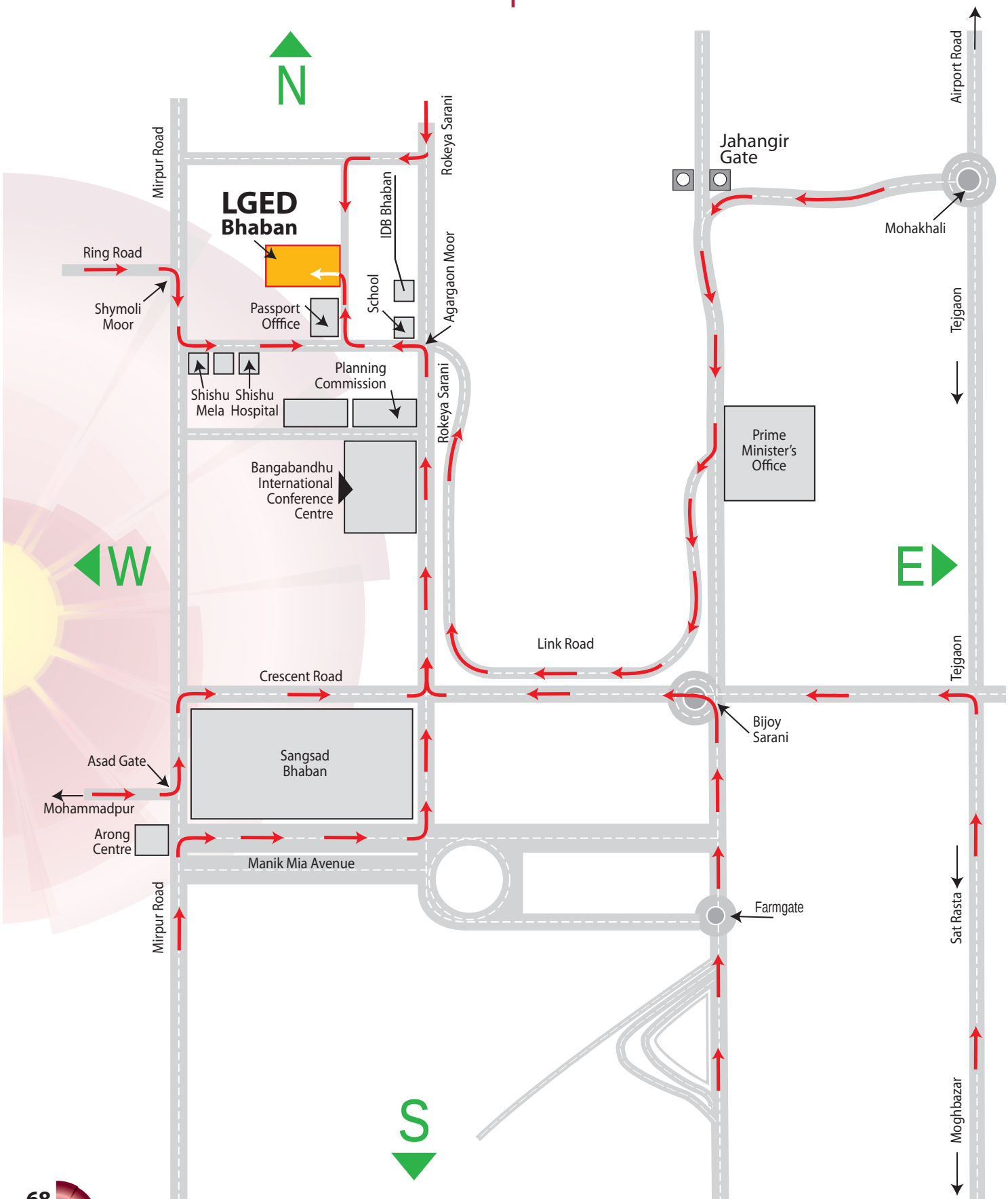
Signature Verified

_____

Authorized Signature

Note: A member entitled to attend and vote at the 11th Annual General Meeting 2018 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



Sun D

Cholecalciferol 40,000 IU & 20,000 IU Capsule

The Power of Sun, in your hand

Ensures[1]

Bone	Decreases the risk of osteoporotic fractures
Falls	May retard sarcopenia and decreases the risk of falls
Pain	Decreases neuropathic pain in type 2 diabetes mellitus
Autoimmune disease	Decreases the risk of rheumatoid arthritis and type 1 diabetes mellitus
Heart disease	Decreases the risk of myocardial infarction
Cancer	Decreases the total cancer incidence and mortality
Mortality	Decreases total mortality

Tk.10 per capsule

Tk.15 per capsule

Delta Pharma Limited

DELTA

ISO 9001:2015 CERTIFIED COMPANY

DELTA

Delta Pharma Limited

House # 501, Road # 34, New DOHS, Mohakhali, Dhaka-1206, Bangladesh
Tel : +88-02-9892192, Fax : +88-02-9834959, Web : www.deltapharmabd.com

ISO 9001:2015 CERTIFIED COMPANY

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT