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**P R I V A T E
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C O N F I D E N T I A L**

**AUDITORS' REPORT
&
FINANCIAL STATEMENTS
OF**

**ORION INFUSION LIMITED
ORION HOUSE
153-154, TEJGAON INDUSTRIAL AREA,
DHAKA-1208, BANGLADESH
FOR THE YEAR ENDED 30TH JUNE, 2007**

**এ, মতীন এন্ড কোং
A. MATIN & CO.
CHARTERED ACCOUNTANTS
91, KAKRAIL, (3RD FLOOR), FLAT NO.-08
DHAKA- 1000, BANGLADESH.**



AUDITORS' REPORT

TO THE SHAREHOLDERS OF ORION INFUSION LIMITED

We have audited the financial statements of Orion Infusion Limited comprising of Balance Sheet, as at June 30, 2007 and Profit & Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended and the related notes. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the states of the company's affairs as at June 30, 2007 and the result of its operation and its cash flow for the year then ended and comply with the applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the company's business.

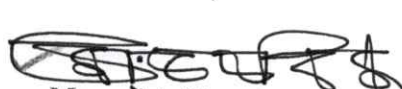
Place: Dhaka,
October 28, 2007

A. MATIN & CO.
Chartered Accountants.

ORION INFUSION LIMITED
BALANCE SHEET
AS AT JUNE 30, 2007

	<u>Notes</u>	<u>Amount in Taka</u> <u>30.06.2007</u>	<u>Amount in Taka</u> <u>30.06.2006</u>
<u>ASSETS</u>			
Non-Current Assets:		347,592,573	363,623,433
Property, Plant & Equipment	14	271,767,578	287,798,438
Investment	15	75,824,995	75,824,995
Current Assets:		161,582,440	147,757,984
Inventories	16	93,379,046	78,998,508
Accounts Receivables	17	31,931,562	33,825,550
Advance, Deposit & Prepayments	18	31,659,097	27,864,270
Cash and Cash Equivalents	19	4,612,735	7,069,656
Profit & Loss Account:			
Accumulated Loss		221,622,225	224,684,799
Total		730,797,238	736,066,216
<u>EQUITY AND LIABILITIES</u>			
Share Capital			
Issued Capital	20	203,597,600	203,597,600
Non-Current Liabilities:		298,186,132	336,808,586
Long Term Borrowings- Secured	21	289,289,432	327,316,776
Liabilities for Gratuity	22	8,896,700	9,491,810
Current Liabilities:		229,013,506	195,660,030
Short Term Borrowings - Secured	23	142,347,340	150,112,416
Inter Project Current Account	24	46,259,275	8,035,036
Creditors and Other Payables	25	23,812,945	24,444,391
Accrued Expenses	26	7,748,434	5,441,207
Dividend Payable	27	8,845,512	7,626,980
Total		730,797,238	736,066,216
Contingent Liabilities	28	37,798,752	37,798,752

The accompanying notes form an integral part of the Financial Statements.


Managing Director



Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 28, 2007




A. Matin & Co
Chartered Accountants

ORION INFUSION LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Notes</u>	<u>Amount in Taka</u> <u>30.06.2007</u>	<u>Amount in Taka</u> <u>30.06.2006</u>
Revenue (Turnover) from net sales	29	348,507,592	359,622,242
Cost of Goods Sold	30	(213,436,907)	(224,087,190)
Gross Profit		135,070,685	135,535,052
Operating Expenses		(86,900,543)	(87,342,496)
Administrative Expenses	31	(13,313,859)	(14,188,444)
Selling & Distribution Expenses	32	(73,586,684)	(73,154,052)
Profit from Operation		48,170,142	48,192,556
Financial Expenses	33	(34,151,691)	(32,481,927)
Non Operative Income	34	412,680	391,697
Net Profit before W.P.P.F. for the year		14,431,131	16,102,326
Contribute to Workers' Profit Participation Fund		(687,197)	(766,777)
Net Profit before Tax		13,743,934	15,335,549
Profit/(Loss) brought forward	35	(235,366,159)	(240,020,348)
Profit/(Loss) carried forward		(221,622,225)	(224,684,799)
Earnings Per Share (of Tk. 100/- each)		6.75	7.53
Number of Shares used to compute EPS		2,035,976	2,035,976

Figures in brackets indicate negative figure.

The accompanying notes form an integral part of these Financial Statements.


Managing Director

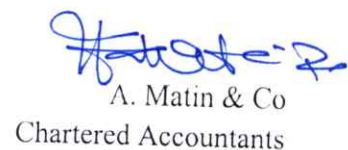

Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 28, 2007




A. Matin & Co
Chartered Accountants

ORION INFUSION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Notes</u>	Amount in Taka <u>30.06.2007</u>	Amount in Taka <u>30.06.2006</u>
Issued Capital	20	203,597,600	203,597,600
Retained Earnings :			
Net Accumulated Profit/(Loss) up to June 30, 2006		(235,366,159)	(240,020,348)
Net Profit/(Loss) for the year		13,743,934	15,335,549
Net Accumulated Profit/(Loss) up to June 30, 2007 (Balance transferred to Balance Sheet)		(221,622,225)	(224,684,799)
Shareholders' Equity at the end of the year		<u>(18,024,625)</u>	<u>(21,087,199)</u>
Number of Ordinary Shares		2,035,976	2,035,976
Face Value Per Share		100.00	100.00
Shareholders' Equity Per Share		(8.85)	(10.36)

Figures in brackets indicate negative figure.

The accompanying notes form an integral part of these Financial Statements.


Managing Director



Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 28, 2007




A. Matin & Co
Chartered Accountants

ORION INFUSION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007

	Amount in Taka <u>30.06.2007</u>	Amount in Taka <u>30.06.2006</u>
Cash Flows from Operating Activities :		
Cash received from Customers	350,401,580	358,576,114
Cash paid to Suppliers and Employees	(329,519,332)	(316,380,220)
Cash Generated from Operation	20,882,248	42,195,894
Other income	412,680	391,697
Income Tax - Deducted at Source	(3,790,321)	(3,255,652)
Net Cash Generated/(Used) from Operating Activities	17,504,607	39,331,939
Cash Flows from Investing Activities :		
Acquisition of Property, Plant & Equipment	(2,930,519)	(36,798,803)
Investment Liquidate (Net)	-	-
Net Cash Received/(Used) in Investing Activities	(2,930,519)	(36,798,803)
Cash Flows from Financing Activities :		
Received from Associated Companies	38,224,239	5,510,649
Dividend Paid	(9,462,828)	(15,033,821)
Bank Loans Received / (Repaid)	(45,792,420)	(744,266)
Net Cash Received/(Used) in Financing Activities	(17,031,009)	(10,267,438)
Net Increase /(Decrease) in Cash & Cash Equivalents	(2,456,921)	(7,734,302)
Cash & Cash Equivalents at the beginning of the year	7,069,656	14,803,958
Cash & Cash Equivalents at the End of the Year	4,612,735	7,069,656

Figures in brackets indicate negative figure.

The accompanying notes form an integral part of these Financial Statements.


Managing Director



Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 28, 2007




A. Matin & Co
Chartered Accountants

ORION INFUSION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2007

1. Statutory Background of the Company and Overview of Operational Activities

Orion Infusion Limited is a public limited company incorporated in Bangladesh on May 05, 1983 and is now operating under the control of the Orion Group. Other shareholders of the company are general public including financial institutions and foreign investors.

The shares of the company are listed both with the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the company is located at Orion House, 153-154, Tejgoan Industrial Area Dhaka-1208. The industrial unit are located in Maikuli, Ruganaj, Narayongonj.

The company also owns an intravenous (I.V.) fluid project for production of life saving Injectable and other allied products.

The Company also provides contract-manufacturing services.

2. Components of the Financial Statements

- (i) Balance Sheet as at June 30, 2007;
- (ii) Profit and Loss Account for the year ended June 30, 2007;
- (iii) Statement of Changes in Equity for the year ended June 30, 2007;
- (iv) Cash Flow Statements for the year ended June 30, 2007; and
- (v) Notes to the Financial Statements as at June 30, 2007.

3. Basis of Presenting Financial Statements

The following underlying assumptions, measurement bases, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

- Going concern
- Accrual
- Historical cost convention
- Generally accepted accounting principles and practices in Bangladesh
- The Companies Act, 1994
- The Securities and Exchange Rules, 1987
- The Securities and Exchange Ordinance, 1969
- The Listing Regulations of Dhaka and Chittagong Stock Exchanges and
- The Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The Board of Directors is responsible for preparation and presentation of the financial statements, approval and authorization for issuance of these financial statements.

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires the management to make estimates and assumptions that also affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of and during the reporting period.



4. Adoption of Bangladesh Accounting Standards (BAS)

In preparing and presenting these financial statements, significant accounting issues of the company, following BAS have been considered relevant and adopted by the company, which were issued by the ICAB, formulated in the light of the BAS and the conditions and practices prevailing in Bangladesh and valid as on the balance sheet date:

BAS	1	Presentation of Financial Statements
BAS	2	Inventories
BAS	7	Cash Flow Statements
BAS	8	Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies.
BAS	10	Events after the Balance Sheet date
BAS	16	Property, Plant & Equipment
BAS	18	Revenue
BAS	21	The effects of Changes in Foreign Exchange Rates
BAS	23	Borrowing Costs
BAS	33	Earnings Per Share

5. Impact of recently Issued Accounting Standards

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under review.

6. Critical Corporate Accounting Policies in Respect of Recognition and Valuation of Key Accounting Issues

Following are the accounting policies relating to recognition and valuation of items in financial statements which are material and critical in determining the company's results of operations for the year and financial position as on the balance sheet date and are consistent with those adopted in the financial statements for the previous year:

(a) Recognition of Income

Sales are taken into accounts for preparation of invoices along with delivery of goods and represent the local sales less VAT.

(b) Property, Plant and Equipment

These are initially stated at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized. Expenses capitalized also include pre-operational borrowing cost. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged 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.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the profit & loss account which is determined with reference to the net book value of the assets and the net sale proceeds.

(c) Depreciation

Land and Building are not held on freehold basis rather mortgaged to the bank. Land is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided using the straight-line method. The rate of depreciation is not applied as per the rate prescribed by the Income Tax Ordinance 1984, as a result current year's depreciation and the accumulated depreciation is under stated resulting in reflection of under statement of loss in the income statement.

The annual depreciation rates applicable to the principal categories are:

Freehold Building	2.5%
Leasehold Building	4%
Plant & Machinery	5%
PVC bag Manufacturing	5%
Furniture and Fixture	10%
Office Equipments	10%
Vehicles	20%

(d) Promotional Expenses

All cost associated for product promotion are generally spent in the year in which they are incurred.

(e) Borrowing Costs

Borrowing costs are charged as expenses for the year under review.

(f) Inventories

Inventories are stated at lower of cost and net realizable value. The cost is calculated on weighted average method in a consistent manner. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions. Where necessary, provision is made for obsolete, slow moving and defective inventories (if any) identified at the time of physical verification of inventories.

Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale effective.

(g) Accounts Receivable

These are carried forward in the accounts at original invoice amount, which represents net realizable value only. This is considered good and realizable, and therefore, no amount was written off as bad debt and even no debt was considered doubtful to provide for in the accounts.



(h) Cash and Bank Balance

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 the company without any restriction, and there was insignificant risk of changes in value of these current assets.

(i) Other Current Assets

Other Current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the balance sheet.

(j) Income Taxes

The company has made profit during the year (2006-2007) under audit but during the year under audit no provision for income tax has been made due to previous year's accumulated losses. Income tax assessment for the assessment year 2006-2007 has not yet been finalized. Moreover, the company paid Tk. 37,90,321 as advance income tax (AIT) during the financial year and the accumulated AIT as on the closing date 30.06.07 is Tk. 1, 52,96,040.

(k) Employees' Provident Fund:

The company has established a system of contributory provident Fund. A separate Board of Trustee is administering the Fund.

(l) Other corporate Debt, Accounts Payable, Trade and other Liabilities

These liabilities are carried forward in the accounts at the anticipated settlements amount in respect of goods and services received whether or not billed by the supplier.

(m) Earnings per Share (EPS)

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

i) Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year had been considered as fully attributable to the ordinary shareholders.

ii) Weighted Average Number of Ordinary Shares Outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares is outstanding as a proportion of the total number of days in the period.

iii) Diluted Earnings per Share

No diluted EPS is calculated for the year, as there was no scope for dilution during the year under review.



7. Concentrations

As of June 30, 2007, the Company does not have any significant concentration of business transaction with a particular customer, supplier or lender that could, if suddenly eliminated, severely impact the company's operations. The company also does not have a concentration of available sources of labor, services, or licenses or other rights that could, if suddenly eliminated, severely impact the operations of the company.

8. Reporting Currency

The amount shown in these financial statements are presented in Bangladeshi Taka currency, which have been rounded off to the nearest Taka except indicated otherwise.

9. Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2006 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant to an understanding of the financial statements of the current period.

Figures for the year ended June 30, 2006 have been reclassified wherever considered necessary to ensure comparability with the current years figures.

10. Information by Industry Segments and Geographical Areas

Industry Segment Information

The company did not have any segment other than the manufacturing and sale of IV fluids and other allied products.

Geographic Segment Information

The company did not operate any business outside Bangladesh.

11. Recognized Gains and Losses

No gain or loss was directly dealt with through the shareholders' equity without being recognized in the profit and loss account.

Therefore, net profit / (Loss) for the year is the total recognized gains/ (Loss).

12. Historical Cost, Profit and Losses

There was no revaluation of fixed assets in previous year and during the year under review. There was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost, profit and loss has been presented in the report.

13. Reporting Period

The financial period of the company cover one year from July 01 to June 30 consistently.



ORION INFUSION LIMITED
SCHEDULE OF FIXED ASSETS
AS AT JUNE 30, 2007

14. Property, Plant & Equipment : TK. 271,767,578

Sl. No.	Particulars	C		O		T	Rate of Dep. (%)	D E P R E C I A T I O N			Written Down Value As On 30.06.2007
		Balance as on 01.07.2006	Addition			Total as on 30.06.2007		Balance as on 01.07.2006	Charged during the year	Accumulated Dep. as on 30.06.2007	
1	Land & Land Development	11,478,046	-	-	-	11,478,046	-	-	-	-	11,478,046
2	Freehold Building	80,086,691	-	-	-	80,086,691	2.5%	18,330,941	2,002,167	20,333,108	59,753,583
3	Leasehold Building	36,042,466	-	-	-	36,042,466	4%	16,352,237	1,441,699	17,793,936	18,248,530
4	Plant & Machinery	268,793,143	2,508,952	-	-	271,302,095	5%	90,777,368	13,439,657	104,217,025	167,085,070
5	PVC Bag Manufacturing	14,476,134	-	-	-	14,476,134	5%	2,171,421	723,807	2,895,228	11,580,906
6	Furniture & Fixture	6,616,644	287,667	-	-	6,904,311	10%	4,926,924	661,664	5,588,588	1,315,723
7	Office Equipment	3,705,448	133,900	-	-	3,839,348	10%	1,163,083	370,545	1,533,628	2,305,720
8	Vehicles	3,104,453	-	-	-	3,104,453	20%	2,782,613	321,840	3,104,453	-
	TOTAL TAKA	424,303,025	2,930,519			427,233,544		136,504,587	18,961,379	155,465,966	271,767,578

14.01 Depreciation charged during the year are as under:

	Factory	Admin.	Marketing	Total
1. Freehold Building	2,002,167	-	-	2,002,167
2. Leasehold Building	-	1,315,897	125,802	1,441,699
3. Plant & Machinery	13,439,657	-	-	13,439,657
4. PVC Bag Manufacturing	723,807	-	-	723,807
5. Furniture & Fixture	306,315	195,962	159,387	661,664
6. Office Equipments	62,992	88,884	218,669	370,545
7. Vehicles	43,681	-	278,159	321,840
	16,578,619	1,600,743	782,017	18,961,379

- a) We have verified the additions of fixed assets purchased during the year and found the same in order.
b) Depreciation has not been charged on the addition of Fixed Assets.



15. Investment :	Tk.	75,824,995	Amount in Taka <u>30.06.2007</u>	Amount in Taka <u>30.06.2006</u>
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The amount consists as follows :

Investment in other companies	75,824,995	75,824,995
	<u>75,824,995</u>	<u>75,824,995</u>

The above investment amount includes Tk 16,825,396 for acquiring of new shares of Oriental Bank Ltd. leaving the rest amount in Orion Mashroom Ltd. which have been considered good by the Directors.

16. Inventories :	Tk.	93,379,046	<u>30.06.2007</u>	<u>30.06.2006</u>
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The amount consists as follows :

Raw Materials (1,04,905 kg) (30.06.2006 - 1,11,486 kg)	26,328,635	17,436,533
Packing Materials	14,788,078	11,995,564
Work - in - process	8,975,581	4,424,687
Finished Products (6,27,226 units) (30.06.2006 - 5,23,612 units)	40,211,635	41,883,996
Promotional Materials	1,786,204	1,285,091
Spares & Associates	305,422	587,013
Chemicals	211,457	112,463
Printing & Stationery	772,034	1,273,161
	<u>93,379,046</u>	<u>78,998,508</u>

Physical inventory of the above stock & stores was conducted by the management at the end of the year. The valuation of inventory was done and certified by the management. The inventories are considered good by the Directors.

17. Accounts Receivable :	Tk.	31,931,562	<u>30.06.2007</u>	<u>30.06.2006</u>
			<u>31,931,562</u>	<u>33,825,550</u>

These are unsecured but considered good by the Directors. No amount was due by the Directors, Managing Agent, and other officers of the company and any of them severally or jointly liable with other person.



18. Advance, Deposit & Prepayments :	Tk.	31,659,097	Amount in Taka <u>30.06.2007</u>	Amount in Taka <u>30.06.2006</u>
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The amount consists as follows :

Advances :

Travel and Other Advances	1,434,794	534,875
Advance paid to Suppliers	4,161,639	1,627,741
Motor Cycle Advance	3,240,747	1,347,116
Security Service Advance	9,200	9,200
Advance Income Tax	15,296,040	11,505,719
Sub-Total:	24,142,420	15,024,651

Deposits :

VAT Deposit	59,365	926,207
Security Deposit	1,612,370	1,576,926
Earnest Money	150,000	138,020
L/C Margin Deposit	5,694,942	10,198,466
Sub-Total:	7,516,677	12,839,619
Grand Total:	31,659,097	27,864,270

The receivables are unsecured but considered good by the Directors. No amount was due by the Director Managing Agent, Managers and any other officers of the company and any of them severally or jointly liable with any other person except Motor cycle advance, travel and other advance. All the above balances are subject to confirmation.

19. Cash and Cash Equivalents :	Tk.	4,612,735	<u>30.06.2007</u>	<u>30.06.2006</u>
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The amount consists as follows :

Cash in Hand/Imprest Cash	749,353	1,347,531
Cash at Bank	3,863,382	5,722,125
	4,612,735	7,069,656

Above amount was company's cash balance as on June 30, 2007. Since our audit was post dated we could not physically verify the cash balance on the closing date, however, we have obtained cash custody certificate duly signed by the management confirming the balance held by them on the closing date.

We have verified the bank statements/certificates issued by the respective banks which are found in agreement with the book balance.



20. Share Capital : 30.06.2007 30.06.2006

a) Authorized Capital :

10,000,000 Ordinary Shares of Taka 100/- each 1,000,000,000 1,000,000,000

b) Issued, Subscribed and Paid-up Capital:

2,035,976 Ordinary Shares of Taka 100/- each **Tk 203,597,600** 203,597,600 203,597,600

c) Distribution Schedule:

The detailed schedule showing the number of shareholders and their shareholding in percentage has been disclosed below as a requirement of the Regulation 37 (3) of Dhaka Stock Exchange and Chittagong Stock Exchange.

Range of holding in number of shares	No. of Shareholders	No. of Shares held	30.06.2007 Holding(%)	30.06.2006 (Holding(%))
Up to 500 shares	7,014	311,426	15.30%	15.20%
501 to 5,000 shares	107	81,840	4.02%	3.85%
5,001 to 10,000 shares	8	55,920	2.75%	3.04%
10,001 to 20,000 shares	6	88,210	4.33%	5.08%
20,001 to above	10	1,498,580	73.60%	72.84%
	<u>7,145</u>	<u>2,035,976</u>	<u>100%</u>	<u>100%</u>

d) Composition of Shareholding :

	Nos. of Shareholders	Number of Shares	% of Shareholding 30.06.2007	% of Shareholding 30.06.2006
Sponsors	6	967,840	47.54%	47.54%
Foreign Investors	6	1,400	0.07%	0.07%
Financial Institutions	46	682,380	33.52%	31.79%
General Public	7,087	384,356	18.88%	20.60%
	<u>7,145</u>	<u>2,035,976</u>	<u>100%</u>	<u>100%</u>



21. Long Term Borrowings (Secured) : Tk.	289,289,432	<u>30.06.2007</u>	<u>30.06.2006</u>
<u>Agrani Bank , WASA Branch</u>			
Project Loan		129,298,242	144,498,872
Interest Free Block Account		159,991,190	182,817,904
		<u>289,289,432</u>	<u>327,316,776</u>

Project Loan is repayable within December 31, 2010 & Interest Free Block Account within June 30, 2012. This is secured by mortgage on land and building and hypothecation of plant & machinery, raw and packing materials, work-in-process, finished stocks and book debts respectively.

22. Liabilities for Gratuity : Tk. 88,96,700	<u>30.06.2007</u>	<u>30.06.2006</u>
	<u>8,896,700</u>	<u>9,491,810</u>

The Company is following gratuity scheme, which covers all its permanent employees who meet eligibility requirements. The Company has determined an amount of Tk. 88,96,700 as actual liability up to 30.06.2007.

23. Short Term Borrowings (Secured) : Tk.	142,347,340	<u>30.06.2007</u>	<u>30.06.2006</u>
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The amount consists as follows :

Pledge & Hypothecation :

Agrani Bank C.C. (Pledge) - 543, WASA Branch	14,237,848	16,216,832
Agrani Bank C.C. (Hypothecation) - 147, WASA Branch	124,251,315	123,555,017

LIM :

Agrani Bank, WASA Branch,	3,858,177	10,340,567
	<u>142,347,340</u>	<u>150,112,416</u>

These loans are secured by mortgage on land and building, hypothecation of plant and machinery, raw and packing materials, work-in-process, finished stocks and book debts respectively.

24. Inter Project Current Account: Tk.	46,259,275	<u>30.06.2007</u>	<u>30.06.2006</u>
Inter Project Current Account		<u>46,259,275</u>	<u>8,035,036</u>

The above amount is payable to Orion Laboratories Ltd. The payable amount is considered good by the Directors.

25. Creditors and Other Payables: Tk.	23,812,945	<u>30.06.2007</u>	<u>30.06.2006</u>
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This consists as follows :

Suppliers	21,314,812	22,723,479
Workers Profits Participation Fund	2,390,456	1,703,259
Employees Income Tax	107,677	17,653
	<u>23,812,945</u>	<u>24,444,391</u>

The individual balances are subject to confirmation.



26. Accrued Expenses :	Tk.	7,748,434	<u>30.06.2007</u>	<u>30.06.2006</u>
This consists as follows :				
Gas and Electricity			924,895	959,441
Salary and Wages payable to Employees			6,773,539	4,431,766
Audit Fee			50,000	50,000
			<u>7,748,434</u>	<u>5,441,207</u>

27. Dividend Payable :	Tk.	8,845,512	<u>30.06.2007</u>	<u>30.06.2006</u>
Dividend Payable			<u>8,845,512</u>	<u>7,626,980</u>

The Company has declared cash dividend of Tk.10 per share out of the profit for the year ended June30,2006.

The sponsors directors agreed to forego their portion of the dividend.

28. Contingent Liabilities :	Tk.	37,798,752
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The balance is as per last account. The above claim has been raised by the VAT authority against the company for Value Added Tax (VAT) amounting to Tk.37,798,752. In this respect the Company filed a Writ Appeal against the said claim to the High Court Division which is awaiting final decision.

29. Revenue (Turnover) from Net Sales :	Tk.	348,507,592	<u>30.06.2007</u>	<u>30.06.2006</u>
Net Sales			<u>348,507,592</u>	<u>359,622,242</u>

This represents sale of 59,86,170 units consisting of 33 products, as against 58,65,641 units in 2005-2006 of 32 products.

30. Cost of Goods Sold :	Tk.	213,436,907	<u>30.06.2007</u>	<u>30.06.2006</u>
The amount consists as follows :				
Work in process-Opening			4,424,687	5,988,774
Raw Materials Consumed (Note 30.01)			31,939,957	35,063,169
Packing Materials Consumed (Note 30.02)			133,539,231	146,977,610
Re-agent Consumption			218,378	388,179
Work in process-Closing			(8,975,581)	(4,424,687)
Total Consumption			<u>161,146,672</u>	<u>183,993,045</u>
Manufacturing Overhead (Note 30.03)			50,617,874	53,062,771
Cost of Production			<u>211,764,546</u>	<u>237,055,816</u>
Finished Goods-Opening			41,883,996	28,915,370
Finished Goods-Closing			(40,211,635)	(41,883,996)
Cost of Goods Sold			<u>213,436,907</u>	<u>224,087,190</u>

30.01 Raw Materials Consumed :	Tk.	31,939,957	<u>30.06.2007</u>	<u>30.06.2006</u>
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The amount consists of the following :

Opening Stock		17,436,533	15,923,815
Add : Purchase		40,832,059	36,575,887
Less : Closing Stock (1,04,905 Kg.) (in 2006 : 1,11,486 Kg.)		(26,328,635)	(17,436,533)
		<u>31,939,957</u>	<u>35,063,169</u>



30.02 Packing Materials Consumed : Tk.	133,539,231	<u>30.06.2007</u>	<u>30.06.2006</u>
The amount consists as follows :			
Opening Stock		11,995,564	22,021,290
Add : Purchase		136,331,745	136,951,884
Less : Closing Stock		(14,788,078)	(11,995,564)
		<u>133,539,231</u>	<u>146,977,610</u>

Details in respect of quantity of packing materials as well as value of each items of packing materials are not given as the number of items as well as classes of items are numerous.

30.03 Manufacturing Overhead : Tk.	50,617,874	<u>30.06.2007</u>	<u>30.06.2006</u>
The amount consists as follows :			
Wages, Allowances and Bonus (Note 30.03.01)		15,012,522	13,732,956
Gratuity & Provident Fund		513,344	686,129
Spare parts		2,992,750	2,203,179
Gas		4,859,567	5,051,322
Electricity		305,824	380,434
Fuel and Lubricant		1,026,629	1,071,629
Security Guard Expenses		742,189	638,647
Contract Manufacturing Expenses/(Toll Charge)		(3,223,425)	1,423,744
Repair & Maintenance		2,839,665	3,523,100
Research, Test and Analysis Expenses		961,295	1,001,142
Nitrogen Gas		2,515,510	2,684,441
Travelling & Conveyance		222,887	433,865
Entertainment		44,844	43,502
Workers Food Expenses		2,274,566	2,052,289
Washing & Cleaning		76,832	288,186
Misc. Expenses		273,853	282,233
Fees & Taxes		204,449	153,110
Telephone, Postage & Courier		238,643	214,773
Insurance		1,016,111	1,016,111
Carriage Inwards		36,775	83,367
Printing & Stationery		1,104,425	1,267,398
Depreciation (Note 14.01)		16,578,619	14,831,214
		<u>50,617,874</u>	<u>53,062,771</u>

30.03.01 Wages, Allowances and Bonus: Tk.

15,012,522

	<u>30.06.2007</u>		<u>30.06.2006</u>	
	Number	Taka	Number	Taka
Employees drawing Tk.3,000 per month or above	196	13,465,469	78	7,378,419
Employee drawing less than Tk. 3,000 per month	80	1,547,053	218	6,354,537
	<u>276</u>	<u>15,012,522</u>	<u>296</u>	<u>13,732,956</u>



31. Administrative Expenses :	Tk.	13,313,859	30.06.2007	30.06.2006
The amount consists as follows :				
Salaries, Allowances and Bonus (Note 31.01)			6,436,010	5,638,409
Gratuity & Provident Fund			271,997	428,885
Postage, Telephone and Telegram			360,768	483,258
Printing & Stationery			400,190	490,992
Fuel & Vehicle Maintenance			668,500	739,453
Advertisement & Publicity			110,326	395,685
Travelling & Conveyance			472,135	417,663
Repair & Maintenance			50,399	623,340
Bank Charges & Commission			708,718	906,229
News Paper & Periodicals			2,930	15,888
Software Consultancy			275,000	260,000
Entertainment			12,634	75,087
Audit Fee			50,000	50,000
Rent, Rates and Taxes			279,305	235,325
Sundry Expenses			737,605	1,072,112
Insurance			449,070	389,462
A.G.M. Expenses			427,529	394,178
Depreciation (Note 14.01)			1,600,743	1,572,478
			<u>13,313,859</u>	<u>14,188,444</u>

31.01 Salary, Allowances and Bonus : Tk. 6,436,010

	30.06.2007		30.06.2006	
	Number	Taka	Number	Taka
Employees drawing Tk. 3,000 per month or above.	39	6,364,301	36	5,472,709
Employees drawing less than Tk. 3,000 per month	3	71,709	5	165,700
	<u>42</u>	<u>6,436,010</u>	<u>41</u>	<u>5,638,409</u>

32. Selling and Distribution Expenses : Tk.	73,586,684	30.06.2007	30.06.2006
The amount consists as follows :			
Salary, Allowances and Bonus (Note 32.01)		37,969,254	37,002,267
Gratuity & Provident Fund		2,428,219	2,340,682
Carrying and Delivery Expenses		10,152,272	10,498,138
Sales Force Expenses		8,699,735	8,576,389
Postage, Telephone and Telegram		1,392,634	1,311,798
Training & Conference Expenses		1,035,817	1,179,917
Other Expenses		781,809	649,681
Office Rent-Depot		1,534,472	1,242,750
Printing & Stationery		633,999	594,919
Product Development Expenses		71,280	318,586
Fuel & Vehicle Maintenance		827,677	859,016
Travelling & Conveyance		546,345	499,469
Product Sample		3,106,967	3,335,685
Promotional Expenses (Pad & Literature)		2,781,840	3,082,678
Sales Discount to Retailers		842,347	742,686
Depreciation (Note 14.01)		782,017	919,391
		<u>73,586,684</u>	<u>73,154,052</u>



32.01 Salary, Allowances and Bonus : Tk. 37,969,254

	30.06.2007		30.06.2006	
	Nos	Taka	Nos	Taka
Employees drawing Tk. 3,000 per month or above	424	37,824,797	412	34,555,865
Employees drawing less than Tk. 3,000 per month	6	144,457	84	2,446,402
	430	37,969,254	496	37,002,267

33. Financial Expenses : Tk. 34,151,691

	30.06.2007	30.06.2006
Interest on Cash Credit & Others	34,151,691	32,481,927

Financial Expenses represent Interest on Cash Credit & Others.

34. Non Operative Income : Tk. 412,680

	30.06.2007	30.06.2006
Rejected Items at factory & Bank interest	412,680	391,697

During the year under audit the company has sold miscellaneous scrap & rejected items valued Tk. 2,97,162.00 and earned Bank interest Tk. 1,15,518.00 respectively and accounted for accordingly.

35 . Profit & Loss Account : Tk. (23,53,66,159)

The break- up of profit and loss accounts is stated as under :

	30.06.2007	30.06.2006
Net accumulated profit/(Loss) as on June 30, 2006	(224,684,799)	(229,338,988)
Prior years adjustment made towards proposed dividend for 2005-2006	(10,681,360)	(10,681,360)
	(235,366,159)	(240,020,348)



36. Production Capacity, Actual Production in 2006-2007 and Reason of Excess / (Shortfall) :

Quantity in million

Item	Production Capacity		Actual Production		Capacity Utilized	
	2006-2007	2005-2006	2006-2007	2005-2006	2006-2007	2005-2006
Intravenous Fluids and Injections	10.48	10.48	5.46	6.03	52.09%	57.54%

37. Claims not acknowledged as debt :

There was no claim against the company as on 30.06.2007 except those mentioned in the report.

38. Payments/Perquisites to Directors and Managing Directors :

No Payment made to the Managing Director. No fee was paid to any Directors, nor any amount was paid to the Directors for special services, if any, extended to the Company.

39. Commission or Brokerage Against Sales :

No commission or brokerage was paid against sales other than the disclosure given in Note-32 of the report.

40. Foreign Exchange Earned :

During the year under audit, the company did not earn any foreign currency as no export took place during the period under audit.

41. Credit Facilities :

The credit facilities which was extended by different banks to the company was availed of by the company during the year under audit.

42. Post Balance Sheet Events :

No material events occurring after balance sheet date came to our notice which could affect the values in the financial statements.


Managing Director


Director


Company Secretary

