

12

NIZAMUDDIN & CO
CHARTERED ACCOUNTANTS.

AUDITORS REPORT TO THE SHAREHOLDERS

We have examined the accompanying Balance Sheet as at 30 June 1996 and the annexed Profit and Loss Account for the year then ended together with the notes thereto of **ORION INFUSION LIMITED** and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report, subject to the contents of Note 13 and the fact that, in the absence of physical Verification by us of stocks, spares, fixed assets and cash on hand at balance sheet date as our appointment was post dated, we accepted quantity and value thereof as correct as certified by the management of the Company, that :

- a) in our opinion, proper books of account have been kept by the company as required by the Companies Act, 1994 :
- b) in our opinion, the Balance Sheet and the Profit and Loss Account have been drawn up-
 - i) in conformity with the Companies Act, 1994; and
 - ii) in accordance with the requirements of the Schedule to the Securities and Exchange Rules, 1987 ;
- c) in our opinion and to the best of our information and according to the explanations given to us-
 - i) the Balance Sheet and the Profit and Loss Account which are in the agreement with books of account exhibit a true and correct view of the state of the Company's affairs;
 - ii) the expenditure incurred was for the purposes of the Company's business and
 - iii) the requirements of the Securities and Exchange Ordinance, 1969 as amended by the Securities and Exchange (Amendment) Act, 1993 have been complied with.

Dhaka,
27 September, 1996



(Signature)
NIZAMUDDIN & CO.
Chartered Accountants

ORION INFUSION LIMITED

BALANCE SHEET AS AT 30 JUNE 1996

<u>Sl. No.</u>	<u>Particulars</u>	<u>Schedule</u>	<u>Taka</u>
1.	<u>Sources of Fund</u>		
1.1	<u>Shareholders' Fund</u>		
	a) Share Capital	3	20,00,00,000
	b) Reserves and Surplus	4	<u>96,19,611</u>
			<u>20,96,19,611</u>
2.	<u>Application of Fund</u>		
2.1	<u>Fixed Assets</u>		
	a) Gross Block	5	24,63,66,031
	b) Less: Depreciation	-	<u>2,56,21,606</u>
	c) Net Block	-	22,07,44,425
2.2	Investment	-	<u>18,30,98,123</u>
			40,38,42,548
2.3	<u>Current Assets, Loans and Advances</u>		
	a) Inventories	6	7,62,61,166
	b) Sundry Debtors	7	90,48,402
	c) Deposit and other Receivables	8	3,19,53,646
	d) Cash and Bank Balances	9	<u>45,10,490</u>
			12,17,73,704
	<u>Less :Current Liabilities and Provisions</u>		
	a) Bank Loan	10	27,06,38,688
	b) Liabilities for Goods supplied-	-	30,75,084
	c) Liabilities for Expenses	11	9,21,438
	d) Liabilities for Other Finance	12	<u>4,88,16,404</u>
			32,34,51,614
	<u>Net Current Assets</u>		(20,16,77,910)
2.4	Miscellaneous Expenditure to the extent not written off or adjusted	13	<u>74,55,273</u>
			<u>20,96,19,911</u>

Auditors' Report to the Shareholders
 See annexed report



The annexed notes form integral part of these financial statements

ORION INFUSION LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1996

	Schedule	Taka
Sales		12,14,66,397
Less : Cost of Goods Sold	14	<u>(8,20,76,169)</u>
Gross Profit		3,93,90,228

	Schedule	Taka
Less : Operating Expenses		
Selling and Distribution Expenses	15	<u>91,80,579</u>
General and Administrative Expenses	16	<u>91,82,209</u>
		<u>(1,83,62,788)</u>

Net Profit		2,10,27,440
Tax Holiday Reserve.		<u>(63,08,232)</u>
		1,47,19,208

Unappropriated profit brought forward		<u>23,06,515</u>
Profit available for appropriation		1,70,25,723

Proposed Dividend		<u>(1,70,00,000)</u>
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Unappropriated profit carried forward		<u>25,723</u>
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Auditors Report to the Shareholders
 See annexed, Report



The annexed notes
 from an integral part
 of these financial
 statement.

ORION INFUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1996

SCHEDULE - 1
STATUS AND ACTIVITIES

1. Orion Infusion Limited (Formerly Mala Chemical & Pharmaceutical Industries Ltd.) was a Public Company Limited by shares incorporated on 5 May 1983. It manufactures and markets intravenous fluid and injectables. It is situated at Maikuli under Rupgonj thana of Narayanganj district on the Dhaka - Narsingdi Highway.

SCHEDULE - 2

SIGNIFICANT ACCOUNTING POLICIES.

2.1. General Accounting Policies

The financial statements have been prepared on historical cost convention under accrual accounting concept on the basis that the Company will continue as a going concern for the foreseeable future.

2.2. Particulars Accounting Policies

- a. Inventories have been valued at weighted average cost except finish products stated at trade price without VAT
- b. Fixed assets are stated at cost less depreciation except land and land development. Fifty percent depreciation is charged in the year of acquisition except leasehold building which is amortised from the date of lease. No depreciation is charged in the year of deletion. Depreciation has been charged under straight line method at the following rates:-

<u>Items</u>	<u>Rate Percentage</u>
Freehold building	2 ½
Leasehold building	4
Plant, machinery and equipment	5
Furniture and fixtures and office equipment	10
Vehicles	20
Books	25

- c. Share issue costs and Pre-operating expenses are stated at cost less amortisation at 10% per annum w.e.f. 1 July 1994.
- d. Tax holiday reserve is made of 30% of the taxable, profit, if any.



SCHEDULE - 3

SHARE CAPITAL

	<u>Taka</u>
3.1. <u>Authorised</u>	
1,00,00,000 Ordinary shares of Tk. 100 each	<u>100,00,00,000</u>
3.2 <u>Issue, subscribed and paid-up</u>	
20,00,000 Ordinary shares of Tk. 100 each	<u>20,00,00,000</u>

SCHEDULE - 4

RESERVES AND SURPLUS

Tax holiday reserve O.B. 32,85,656	95,93,888
this year <u>63,08,232</u>	<u>25,723</u>
Unappropriated profit	<u>96,19,611</u>



**SCHEDULE-
FIXED ASSETS**

Items	Cost			Depreciation			Written down value at 30 June 1996
	On 1 July 1995	Additions	At 30 June 1996	On 1 July 1995	On 1 July 1996	At 30 June 1996	
Land and land development	59,15,852	35,51,977	94,67,829	---	---	---	94,67,829
Freehold building	5,06,74,774	13,226	5,06,88,000	24,64,304	12,67,035	37,31,339	4,69,56,661
Leasehold building	2,85,50,000	74,59,746	3,60,09,746	4,96,168	14,40,390	19,36,558	3,40,73,142
Plant, machinery and equipment	14,19,28,244	12,23,701	14,31,51,945	1,13,26,076	71,27,005	1,84,53,081	12,46,98,165
Furniture and fixtures	32,66,816	3,04,213	35,71,029	2,18,913	3,41,892	5,60,805	30,10,213
Office equipment	4,32,050	1,64,000	5,96,050	24,603	51,405	76,008	5,20,347
Vehicles	28,69,140	---	28,69,140	2,86,914	5,73,828	8,60,742	20,08,392
Books	---	12,292	12,292	---	3,073	3,073	9
Total Taka	23,36,36,876	1,27,29,155	24,63,66,031	1,48,16,978	1,08,04,628	2,56,21,606	22,07,44,425

5.1 Depreciation for the year is charged as follows:

Cost of good sold (Note 15)
General and administrative expenses (Note 15)



1996	1995
Taka	Taka
83,94,040	73,96,154
<u>24,10,588</u>	<u>9,87,550</u>
<u>1,08,04,628</u>	<u>83,83,704</u>

SCHEDULE - 6

INVENTORIES

Raw Materials	31,84,747
Packing Materials	6,65,99,176
Work-in-process	34,54,901
Finished Products	<u>30,22,342</u>
	<u>7,62,61,166</u>

SCHEDULE - 7

SUNDRY DEBTORS

	<u>Number</u>	<u>Tak</u>
Pharmacies	421	74,47,98
Hospitals	15	11,65,53
Clinics	<u>60</u>	<u>4,34,88</u>
	496	90,48,40



SCHEDULE - 8

DEPOSITS AND OTHERS RECEIVABLE

	Taka
Deposits	
Security Deposit O/B 14,36,235	
Add. This year <u>50,711</u>	14,86,946
Earnest Money O/B. 3,28,351	
Add. This year <u>38,699</u>	3,67,050
8-year Protirakhya Sanchyapatra (Last year Balance)	1,00,000
Value Added Tax Deposit	3,639
Bank Margin Deposit Last year 36,59,686.00	
Less Adjustment This year <u>26,47,804.00</u>	<u>10,11,882</u>
	<u>29,69,517</u>

	Taka
<u>Others Receivable</u>	
Advance Income Tax (Last Balance)	1,74,000
Tour Advance	25,893
Security Service Advance	9,200
Dues from Associated Companies	<u>2,87,75,036</u>
	<u>2,89,84,129</u>
	<u>3,19,53,646</u>

SCHEDULE - 9

CASH AND BANK BALANCES

Agrani Bank, Current Account	41,03,437
Janata Bank, Current Account	3,52,840
Pubali Bank, Current Account	14,434
Bangladesh Shilpa Bank, Current Account	65
National Bank Ltd., Current Account	680
	<u>44,71,456</u>
Imprest Cash	39,034
	<u>45,10,490</u>

SCHEDULE - 10

BANK LOAN

1) Agrani Bank,	21,49,07,772
2) Janata Bank	4,97,55,378
3) LIM ACCOUNT	<u>59,75,538</u>
	<u>27,06,38,688</u>



SCHEDULE - 11

LIABILITIES FOR EXPENSES

	<u>Taka</u>
Gas and electricity bills	1,63,931
Salary, wages and allowances	7,07,507
Audit fee	<u>50,000</u>
	<u>9,21,438</u>

SCHEDULE - 12

LIABILITIES FOR OTHER FINANCE

Workers Participation/welfare funds (Last Balance)	18,16,404
Proposed Dividend Last year 3,00,00,000	
This year <u>1,70,00,000</u>	<u>4,70,00,000</u>
	<u>4,88,16,404</u>

SCHEDULE - 13

MISCELLANEOUS EXPENDITURES

	Share Issue Expenses (13.1)	62,72,970
	Pre-operating Expenses (13.2)	<u>11,82,303</u>
		<u>74,55,273</u>
13.1	Share Issue Expenses :	
	Opening balance	70,57,091
	Less Written of at 10%	<u>7,84,121</u>
	Closing Balance	<u>62,72,970</u>
13.2	Pre- operating Expenses :	
	Opening balance	13,30,091
	Less Written of at 10%	<u>1,47,788</u>
	Closing balance	<u>11,82,303</u>



SCHEDULE - 14

COST OF GOODS SOLD

	<u>Taka</u>
Raw and Packing Materials consumed (Schedule 14.1)	5,26,29,972
Wages, allowances and bonus	28,82,695
Electricity	6,95,519
Gas and fuel	6,19,050
Research, test and analysis expenses	35,605
Workers' uniform	6,841
Rabbit Maintenance	78,784
Washing & cleaning	29,937
Repairs & Maintenance	76,514
Laboratory expenses	1,30,958
Fooding Expenses	1,00,007
Depreciation (Schedule 5.1)	83,94,040
Work-in process differential (Schedule-14.2)	1,44,31,245
Finished Products inventory differential (Schedule 14.3)	<u>19,65,002</u>
	<u>8,20,76,169</u>
14.1 The make-up of Raw and Packing Materials consumed as below :	
Opening stock :	
Raw Materials TK 38,57,060	
Packing Materials TK <u>8,88,98,206</u>	9,27,55,266
Add : Purchase :	
Raw Materials TK 39,37,310	
Racking Materials TK <u>2,57,21,319</u>	<u>2,96,58,629</u>
	12,24,13,895
Less: Closing stock of Raw and Packing materials	<u>6,97,83,923</u>
Raw and Packing Materials Consumed	<u>5,26,29,972</u>
14.2 Opening Balance of Working Process	
Less : Closing Stock of Working Process	1,78,86,146
	<u>34,54,901</u>
	1,44,31,245
14.3 Opening Balance of Finished Goods	
Less : Closing Stock of Finish Goods	49,87,344
	<u>30,22,342</u>
	<u>19,65,002</u>



SCHEDULE - 15

SELLING AND DISTRIBUTION EXPENSES

	Taka
Salary, Allowances and Bonus	8,20,033 ✓
Carrying and Delivery Expenses	16,65,900 ✓
Sales Force Expenses	57,73,047 ✓
Cost of Tender Schedule	15,875
Conference Expenses	48,866
Advertisement & Publicity	4,23,060
Postage, Telephone and Telegram	1,49,096
Retailing Bag	1,34,828
Other Selling Expenses	<u>1,49,874</u>
	<u>91,80,577</u>



SCHEDULE - 16

GENERAL AND ADMINISTRATIVE EXPENSES

	<u>Taka</u>
Salary, Allowances and Bonus	16,46,515
Postage, Telephone and Telegram	1,94,322
Printing and Stationery	42,670
Pre-operating Expenses written off (Sch. 13.2)	1,47,788
Share issue Expenses written off (Sch. 13.1)	7,84,121
Bank Interest	33,67,307
Travelling and conveyance	1,33,695
Bank Charges	1,17,676
Charity and Donations	12,500
News Papers and Periodicals	5,623
Entertainment	75,409
Security Guard expenses	1,29,250
Audit Fee	50,000
Rent, Rates and Taxes	20,080
Depreciation (Schedule-5.2)	24,10,588
Sundry Office Expenses	44,665
	<u>91,82,209</u>

