

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE, 1998
OF
ORION INFUSION LIMITED**

কামরুল আহসান চৌধুরী এন্ড কোঃ
QUAMRUL AHSAN CHOWDHURY & CO.

Chartered Accountants

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Chittagong—4100
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Phone : 713579

ORION INFUSION LIMITED

**REPORT AND ACCOUNTS
FOR YEAR ENDED 30TH June 1998**

AUDITORS' REPORT
TO
THE SHAREHOLDERS OF
ORION INFUSION LIMITED

We have audited the accompanying Balance Sheet of Orion Infusion Limited as of 30 June 1998 and the related Profit and Loss Account and the Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion:

We conducted our audit in accordance with the International Standards on Auditing as adopted by the Institute of Chartered Accountants of Bangladesh. We however could not physically verify stocks, spares, fixed assets and cash on hand at balance sheet date as our appointment was post-dated. Those standards require 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. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

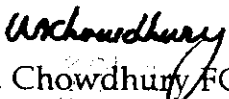
Opinion:

In our opinion, the financial statements prepared in accordance with the International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh, give, subject to the contents of Schedules -3,11 and 16, a true and fair view of the Company's affairs as of 30 June 1998 and of the results of its operations and its cash flows for the year then ended and comply with 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 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;
- (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 purpose of the Company's business.

Quamrul Ahsan Chowdhury & Co
Chartered Accountants


Q.A. Chowdhury FCA
Proprietor

Dated: Chittagong, 27 January 2000

ORION INFUSION LIMITED

BALANCE SHEET AS AT 30 JUNE 1998

SL.NO.	PARTICULARS	SCHEDULE	1998 TAKA	1997 TAKA
1.	<u>Sources of Fund</u>			
	<u>Shareholders' Fund</u>			
	a) Share Capital	3	20,35,97,600	20,00,00,000
	b) Reserves and Surplus	4	41,56,589	41,56,589
			20,77,54,189	20,41,56,589
			=====	=====
2.	<u>Applications of Fund</u>			
2.1	<u>Fixed Assets</u>			
	a) Gross Block	5	24,73,24,853	24,66,79,115
	b) Less : Depreciation		4,73,99,184	3,64,85,751
	c) Net Block		19,99,25,669	21,01,93,364
2.2	Investments	6	16,75,68,067	19,72,73,097
			36,74,93,736	40,74,66,461
2.3	<u>Current Assets, Loans and Advances</u>			
	a) Inventories	7	7,20,19,275	6,65,48,343
	b) Sundry Debtors	8	1,15,39,116	72,72,419
	c) Deposits and other Receivables	9	2,76,08,713	3,14,41,497
	d) Cash and Bank Balances	10	6,98,425	22,38,039
			11,18,65,529	10,75,00,298
	<u>Less : Current Liabilities and Provisions</u>			
	a) Cash Credits - Secured	11	34,32,29,494	29,53,38,149
	b) Liabilities for Goods Supplied	12	47,18,019	29,37,673
	c) Liabilities for Expenses	13	17,42,507	14,69,073
	d) Liabilities for other Finance	14	4,33,61,716	4,95,99,936
			39,30,51,736	34,93,44,831
	<u>Net Current Assets</u>		(28,11,86,207)	(24,18,44,533)
2.4	Profit & Loss Account - Loss carried forward		11,58,55,205	3,20,11,297
2.5	Miscellaneous Expenditure to the Extent Not written off or adjusted	15	55,91,455	65,23,364
2.6	Contigent Liabilities	16	---	---
			20,77,54,189	20,41,56,589
			=====	=====

AUDITORS' REPORT TO THE SHAREHOLDERS

See annexed report

Md Obaidul Karim
Managing Director

Golam Mohiuddin
Director

The annexed schedules form a part of
this Balance Sheet. *LAC*

Md Kayes Mahmud
Company Secretary

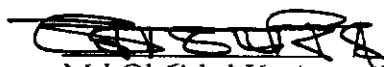
ORION INFUSION LIMITED

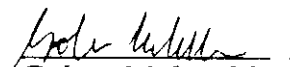
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1998

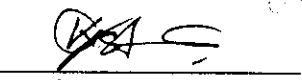
PARTICULARS	SCHEDULE	1998 TAKA	1997 TAKA
Sales :	17	1,38,33,095	10,48,54,050
Less : Cost Of Goods Sold	18	2,49,68,576	6,70,70,102
Gross Profit/(Loss)		(1,11,35,481)	3,77,83,948
Less : Operating Expenses			
General and Administrative Expenses	19	1,50,83,903	1,33,16,307
Selling and Distribution Expenses	20	1,09,85,878	1,57,23,394
Operating Profit / (Loss)		2,60,69,781	2,90,39,701
Less : Financial Expenses	21	(3,72,05,262)	87,44,247
Net (Loss)		(8,38,43,908)	(3,26,22,947)
Unappropriated Profit/(Loss) brought forward		(3,20,11,297)	6,11,650
Loss carried forward		(11,58,55,205)	(3,20,11,297)
Earning per share		(41.55)	(16.31)

AUDITORS' REPORT TO THE SHAREHOLDERS
See annexed report

The annexed schedules from a part of
this Profit and Loss Account **LAC**


Md Obaidul Karim
Managing Director


Golam Mohiuddin
Director

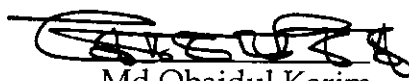

Md Kayes Mahmud
Company Secretary

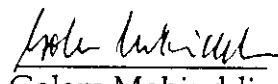
ORION INFUSION LIMITED
CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30 JUNE 1998

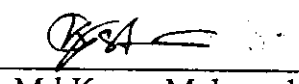
PARTICULARS	1998 TAKA	1997 TAKA
Cash & Bank Balance at the Beginning of the year	22,38,039	45,10,490
Cash Flows from Operating Activities :		
Cash Received from Customers	95,66,398	10,66,30,033
Cash Paid to Suppliers & Employees	(4,26,03,792)	(7,01,60,369)
	(3,30,37,394)	3,64,69,664
Income Tax Deducted at Source	(6,375)	(1,00,329)
Interest Charged	(4,66,38,646)	(4,13,67,194)
	(7,96,82,415)	(49,97,859)
Cash Flows from Investing Activities :		
Aquisition of Fixed Assets	(6,45,738)	(3,13,084)
Investments (Made)/ Returned	2,97,05,030	(1,41,74,974)
	2,90,59,292	(1,44,88,058)
Cash Flows from Financing Activities :		
Bank Loans Created	4,78,91,345	2,46,99,461
Issue of Right Shares to General Public	35,97,600	---
Received from/(Payment to) Associated Companies	38,32,784	(74,18,155)
Dividend Paid	(62,38,220)	(67,840)
	4,90,83,509	1,72,13,466
Cash & Bank Balances at the Closing of the year	6,98,425 =====	22,38,039 =====

AUDITORS' REPORT TO THE SHAREHOLDERS
See annexed report

The annexed schedules from a part of
this Cash flow Statement **LAC**


Md Obaidul Karim
Managing Director


Golam Mohiuddin
Director


Md Kayes Mahmud
Company Secretary

ORION INFUSION LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1998 FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS

SCHEDULE-1

NOTES-GENERAL

(a) Disclosure on Orion Infusion Limited:

This is a public limited company incorporated in Bangladesh on 5 May 1983 under the entrepreneurship of Orion Group. The other shareholders are general public including financial institutions and foreign investors.

The shares of the Company are listed both with the Dhaka and Chittagong Stock Exchange of Bangladesh.

The company owns an intravenous (I.V) fluid project for producing life saving injectables, namely intravenous(I.V) fluids and other allied products.

(b) Components of the Financial Statements:

- (i) Balance Sheet as on 30 June 1998;
- (ii) Profit and Loss Account for the year ended 30 June 1998;
- (iii) Cash Flows Statement for the year ended 30 June 1998.
- (iv) Accounting policies and explanatory notes.

(c) Reporting Currency and Level of Precision:

The figures in the financial statements represent Bangladesh Taka, which have been rounded off to the nearest taka except where indicated otherwise.

(d) Tax Holiday:

The Company is enjoying tax-holiday upto 28 February 2000.

(e) Comparative Information:

Comparative information have been disclosed in respect of the year ended 30 June 1997 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant to an understanding of the current period's financial statements.

Figures of the year ended 30 June 1997 have been reclassified wherever considered necessary to ensure comparability with the current period.

(f) Compliance with Local Laws:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994; Securities and Exchange Ordinance 1969; Securities and Exchange Rules, 1987; Listing Regulations of Dhaka and Chittagong Stock Exchange, and other relevant local laws as applicable. The cash flow from operating activities are computed under direct method as prescribed by the Securities and Exchange Rules, 1987. **LAC**

(g) Compliance with International Accounting Standards:

The financial statements have been prepared in compliance with the requirements of the International Accounting Standards (IASs) approved by the International Accounting Standards Committee (IASC) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable.

(h) Reporting Period:

The financial statements of the company cover one calendar year from 1 July to 30 June next consistently.

SCHEDUL-2

STATEMENTS OF ACCOUNTING POLICIES APPLIED AND EXPLANATORY NOTES:

(i) Accrual Basis of Accounting:

The financial statements have been prepared, except for cash flow information, under the accrual basis of accounting.

(ii) Measurement Basis:

The financial statements have been prepared using the Historical Cost basis.

(iii) Tax Holiday Reserve:

30% of the tax holiday profit has been provided to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of a public company or in government bonds or securities as per Income Tax Law.

(iv) Fixed Assets:

Fixed assets are stated at cost less depreciation except land and land development.

Net carrying amounts (written down value) is arrived at after deduction of accumulated depreciation from gross carrying amounts (cost).

The gross carrying amounts (cost) represent cost of acquisition or construction, capitalization of pre-production expenditure including interest during construction period and effect of exchange fluctuation loss/(gain) on conversion of foreign currency loans. **LAC**

(v) Depreciation:

Depreciation has been charged under straight line method at the following rates:-

<u>Items</u>	<u>Rate Percentage</u>
Freehold building	2½
Leasehold building	4
Plant, machinery and equipment	5
Furniture and fixtures and office equipment	10
Vehicles	20
Books	25

(vi) Investments:

Investments are stated at cost.

(vii) Inventories:

Inventories have been valued at weighted average cost except finished products stated at trade price without VAT.

(viii) Workers' participation/ welfare funds:

Contribution to workers participation/welfare fund has been incorporated at 5% of the net profit before such contribution.

(ix) Miscellaneous Expenditure:

Share issue costs and Pre-operating expenses are stated at cost less amortisation at 10% per annum w.e.f. 1 July 1994.

(x) Sales:

turnover comprises the invoice value of goods supplied by the company and represents local sales less 15% VAT.

(xi) Revenue Recognition:

Sales is recognized at the time of delivery from godown.

(xii) Cash and Cash Equivalents:

Cash in hand and cash at banks have been considered as the cash and cash equivalents for the preparation of this 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.

(xiii) Earnings per share (EPS):

The company calculates Earnings per Share (EPS) in accordance with the International Accounting Standard (IAS)-33 "Earnings per Share" as adopted in Bangladesh.

Earnings Basic:

This represents the earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interests and extraordinary items, the net profit after tax has been considered as fully attributable to the ordinary shareholders. **LAC**

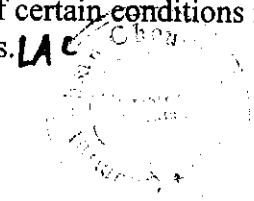
Weighted Average Number of Ordinary shares Outstanding during the Year:

This represents the number of ordinary shares outstanding during the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighting factor.

Earnings per Share (EPS) Basis:

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

Diluted Earnings per Share:

No diluted EPS is required to be calculated for the year as there was no such dilutive potential ordinary shares during the year under review which include debt or equity instruments including preference shares convertible into ordinary shares, share warrants and options, shares which may be issued to employees as a part of compensation plans and shares which would be issued upon satisfaction of certain conditions resulting from contractual arrangements, i.e. purchase of a business or other assets. 

SCHEDULE - 3

SHARE CAPITAL

		1998 <u>TAKA</u>	1997 <u>TAKA</u>
3.1	<u>Authorised</u>		
	1,00,00,000 Ordinary Shares of Tk. 100 each.	100,00,00,000 =====	100,00,00,000 =====
3.2	<u>Issued, subscribed and paid - up</u>		
	20,35,976 (1997:20,00,000) Ordinary Shares of Tk. 100 each.	20,35,97,600 =====	20,00,00,000 =====

Issued, subscribed and paid-up capital increased by Tk35,97,600 by issue of 35,976 Right Shares of Tk 100 each to general public. 10,00,000 Right Shares of Tk 100 each were offered to the existing shareholders on 23 June 1997, of which 964,024 shares remained unsubscribed, and have not been taken up by the Managing Director. Return of Allotment for 35,976 shares has not yet been filed with the Registrar of Joint Stock Companies, Dhaka, Bangladesh.

3.3 The shareholding pattern is as below:

<u>Description</u>	<u>No. of shareholders</u>	<u>No. of shares held</u>	<u>Holding(%)</u>
Less then 500 shares	8,522	5,52,796	27.20%
501 to 5,000 shares	208	2,66,360	13.08%
5001 to 10000 shares	10	76,780	3.77%
10001 to 20000 shares	11	1,61,900	7.95%
20001 to above	15	9,78,140	48.00%
Total	<u>8,766</u>	<u>20,35,976</u>	<u>100%</u>

SCHEDULE - 4

RESERVES AND SURPLUS

	1998 <u>TAKA</u>	1997 <u>TAKA</u>
Tax holiday reserve	41,56,589	41,56,589
	----- 41,56,589 =====	----- 41,56,589 ===== Lac

SCHEDULE -5

SCHEDULE OF FIXED ASSETS AS AT 30 JUNE, 1998

Sl. No.	Items	COST		Rate(%)	DEPRECIATION		Written down value At 30 June 1998 Taka
		On 1 July 1997 Taka	Addition during this year Taka		On 1 July 1997 Taka	During this year Taka	
1.	Land & land development	94,67,829	---	---	---	---	94,67,829
2.	Freehold Building	5,07,95,687	---	2.5	50,00,782	12,69,892	4,45,25,013
3.	Leasehold Building	3,60,42,466	---	4	33,76,948	14,41,699	3,12,23,819
4.	Plant, Machinery & Equip- ment	14,32,47,160	5,28,883	5	2,56,13,059	71,88,802	11,09,74,182
5.	Furniture and Fixtures	36,33,991	62,177	10	9,17,908	3,69,616	24,08,644
6.	Office Equipment	6,10,550	54,678	10	1,36,338	66,523	4,62,367
7.	Vehicles	28,69,140	---	20	14,34,570	5,73,828	8,60,742
8.	Books	12,292	---	25	6,146	3,073	3,073
	Total Taka	24,66,79,115	6,45,738	-----	3,64,85,751	1,09,13,433	19,99,25,669
	1997 Total Taka	24,63,66,031	3,13,084		2,56,21,606	108,64,145	21,01,93,364

DEPRECIATION HAS BEEN CHARGED DURING THE YEAR AS UNDER

	1998	1997
	Taka	Taka
Cost of Goods Sold (Schedule-18)	84,58,694	84,29,421
General & Administrative Expenses (Schedule-19)	24,54,739	24,34,724
	1,09,13,433	108,64,145

LAC

SCHEDULE - 6

INVESTMENTS

	<u>1998 TAKA</u>	<u>1997 TAKA</u>
Orioplast Ltd.	5,28,72,217	6,00,00,000
Orion Mushroom Ltd.	11,46,95,850	13,72,73,097
	-----	-----
	16,75,68,067	19,72,73,097
	=====	=====

These investments are made in the associated undertakings, and are considered good by the directors.

SCHEDULE - 7

INVENTORIES

	<u>1998 TAKA</u>	<u>1997 TAKA</u>
Raw Materials (Schedule- 7.1)	5,14,73,328	5,15,66,167
Packing Materials (Schedule - 7.2)	1,51,68,232	92,51,934
Work-in-Process (Schedule - 7.3)	3,69,525	27,28,722
Finished Products (Schedule - 7.4)	27,71,980	18,42,606
Promotional Materials	9,16,102	3,56,970
Spares & Accessories	6,24,520	5,26,305
Stationeries	6,95,588	2,75,639
	-----	-----
	7,20,19,275	6,65,48,343
	=====	=====

Inventories worth Tk 6,43,90,234 (1997: Tk 5,89,04,428) are lying in the bank's godowns which were not released to the Company for its utilization. **LAC**

SCHEDULE - 7.1

	1998		1997	
<u>Raw Materials</u>	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextrose Enhydrose	10,544 kg.	4,31,477	11,822 kg.	4,27,688
Potassium Chloride	196 kg.	18,098	438 kg.	40,150
Sodium Acetate	726 kg.	80,907	1,393kg	1,20,856
Sodium Chloride	2,837 kg.	1,27,983	2,388kg	1,12,598
Metronidazole B.P.	5.91 kg.	3,841	0.48kg	280
Cipro Floxazine Lactate	7 kg	34,903	24kg	1,19,418
Calsium Chloride	21.55 kg.	7,453	54kg	18,615
Sodium Lactate	268 kg.	98,376	232kg	56,272
Genthamycin	✓ 550 kg.	58,71,250	✓ 550kg	58,71,250
Thacetazone B.P.	950 kg.	56,52,500	950kg	56,52,500
Chaphalexin Mono Compacted	400 kg.	37,80,000	400kg	37,80,000
Helozone N.F.	1,100 kg.	1,37,50,000	1,100kg	1,37,50,000
Doxyclyne Mono Compacted	225 kg.	21,37,500	225kg	21,37,500
Sulphamethozalone	3,600 kg.	85,50,000	3,600kg	85,50,000
Thiamin H.C.L.	240 kg.	6,17,040	240kg	6,17,040
Metronidazole B.P.	1,000 kg.	11,26,000	1,000kg	11,26,000
Benzoyt Metronidazole	650 kg.	7,76,100	650kg	7,76,100
Tetracycline H.C.L.	850 kg.	51,85,000	850kg	51,85,000
Chaphalaxine Mono Compacted	350 kg.	32,24,900	350kg	32,24,900
		-----		-----
		5,14,73,328		5,15,66,167
		=====		=====



SCHEDULE - 7.2

<u>Packing Materials</u>	<u>1998</u>		<u>1997</u>	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
PVC Bag 100 ml.	3,13,105 pcs	20,53,444	3,25,391 pcs	20,68,365
PVC Bag 500 ml.	1,32,693 pcs	14,31,380	1,51,616 pcs	14,60,045
PVC Bag 1000 ml.	3,15,277 pcs	31,91,650	2,10,361 pcs	22,47,129
Outer Bag	2,11,165 pcs	1,06,239	2,88,702 pcs	1,80,523
Stopper	63,480 pcs	17,38,865	28,938 pcs	84,998
Layflat Tube	22,900 kg	43,61,000	3,379 kg	5,59,200
Pyrogen free Medical Tube	2,150 kg	3,49,800	2,531 kg	3,57,860
Colour roll for I.V. Fluid	396 roll	5,94,000	110 roll	1,58,399
Outer Label	36,438 pcs	16,217	23,913 pcs	12,108
Infusion Set	292 ctn	11,37,325	415 ctn	16,15,925
Cartoon	811 pcs	26,132	13,568 pcs	4,47,742
Others (25 Items)		1,62,180		59,640
		-----		-----
		1,51,68,232		92,51,934
		=====		=====

LAC

SCHEDULE - 7.3

<u>Work - in - Process</u>	<u>1998</u>		<u>1997</u>	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500 ml.	1,344	56,448	4,577	1,92,234
Dextropac 1000 ml.	1,139	62,808	3,800	2,15,401
Dextrosal 500ml.	1,047	43,994	2,313	99,146
Dextrosal 1000 ml.	1,017	58,368	6,645	3,81,423
Dianak 500 ml.	----	----	4,577	1,73,942
Dianak 1000 ml.	----	----	6,756	3,37,783
Dextropac 10 - 500 ml.	695	31,970	8,772	4,03,513
Dextropac 10 - 1000 ml.	764	43,548	7,906	4,50,642
Dextrosal Baby	----	----	2,269	86,222
Dextrosal Mini	----	----	1,305	54,810
Hartman 500 ml.	----	----	2,266	89,954
Hartman 1000 ml.	1,590	72,889	5,315	2,43,652
		<u>3,69,525</u> =====		<u>27,28,722</u> LAC =====

SCHEDULE - 7.4

<u>Finished Products</u>	<u>1998</u>		<u>1997</u>	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500 ml.	4,974	2,08,908	10,074	4,23,108
Dextropac 1000 ml.	4,594	2,60,400	10,610	6,01,388
Dextrosal 500ml.	5,813	2,44,159	6,478	2,72,076
Dextrosal 1000 ml.	2,743	1,57,457	613	35,204
Dextropac 10 - 500 ml.	4,164	1,91,544	2,216	1,01,936
Dextropac 10 - 1000 ml.	2,634	1,50,138	1,080	61,560
Dextrosal Baby	2,969	1,12,822	135	5,130
Dextrosal Mini	3,702	1,55,484	103	4,326
Hartman 500 ml.	1,099	43,627	----	----
Hartman 1000 ml.	1,806	82,791	13	596
Dianak 500 ml.	4,095	1,55,609	----	----
Dianak 1000 ml.	2,448	1,22,378	6,123	3,06,127
Nidazol 100 ml.	3,092	1,06,212	992	30,018
Salpac 500 ml.	4,909	1,61,997	9	297
Salpac 1000 ml.	1,618	69,574	----	----
Maprocin 100ml	9,148	5,48,880	14	840

27,71,980

=====

18,42,606

=====

LAC

SCHEDULE - 8

SUNDRY DEBTORS

	1998			1997	
	<u>Nos</u>	<u>TAKA</u>		<u>Nos.</u>	<u>TAKA</u>
Pharmacies	921	91,16,546	Pharmacies	426	58,67,579
Hospitals	46	14,08,994	Hospitals	36	3,01,278
Clinics	152	10,13,576	Clinics	103	11,03,562
	-----	-----		-----	-----
	1119	1,15,39,116		565	72,72,419
	===	=====		===	=====

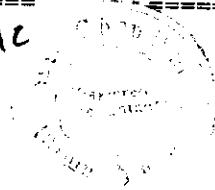
These are unsecured but considered good by the directors.

SCHEDULE - 9

DEPOSITS AND OTHERS RECEIVABLES

	1998	1997
<u>Advances:</u>	<u>TAKA</u>	<u>TAKA</u>
Advance Income Tax	10,24,980	10,18,605
Tour Advance	59,375	33,030
Security Service Advance	9,200	9,200
	10,93,555	10,60,835
<u>Deposits:</u>		
VAT Deposit	1,49,649	2,00,672
Lease Deposit	25,94,080	25,94,080
Security Deposits	14,53,573	14,45,774
Earnest Money	3,26,571	2,51,765
Protirakhya Sanchyapatra	1,00,000	1,00,000
L/C Margin Deposit	2,45,993	15,01,918
	48,69,866	60,94,209
Dues from Orion Laboratories Ltd.(an associated undertaking)	2,16,45,292	2,42,86,453
	-----	-----
	2,76,08,713	3,14,41,497
	=====	=====

The receivables are unsecured but considered good by the directors. LAC



SCHEDULE - 10

CASH AND BANK BALANCES

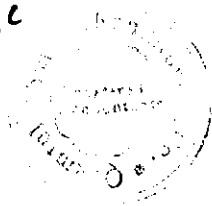
	1998 TAKA	1997 TAKA
Agrani Bank, A/c No. 1006, WASA Branch	4,66,589	14,35,618
Agrani Bank, A/c No. 9933-3, WASA Branch	2,720	1,17,720
Agrani Bank, A/c No. 668, WASA Branch	864	1,62,320
Janata Bank, Corporate Branch, Dhaka	2,098	1,14,698
Pubali Bank Ltd, Tajgaon Branch	40,583	92,624
Bangladesh Shilpa Bank, Dhaka	65	65
Dhaka Bank Ltd, Banani Branch	14,466	14,466
National Bank Ltd, Imamgonj Branch	580	580
National Bank Ltd, A/C No 8769, Mohakhali Branch	<u>70,992</u>	<u>3,371</u>
Cash in Hand	5,98,957	19,41,462
	99,468	2,96,577
	-----	-----
	6,98,425	22,38,039
	=====	=====

SCHEDULE - 11

BANK LOANS

Agrani Bank, C.C. (P) - 5, WASA Branch	38,45,010	53,69,496
Agrani Bank, C.C. (H) - 14, WASA Branch	27,04,55,334	23,14,52,816
Agrani Bank (Lim A/C), WASA Branch	<u>84,20,354</u>	<u>16,26,960</u>
	28,27,20,698	23,84,49,272
Janata Bank, C.C. (P) - 12, Corporate Branch	<u>6,05,08,796</u>	<u>5,68,88,877</u>
	34,32,29,494	29,53,38,149
	=====	=====

The tenure of these facilities have expired. The banks have not renewed the facilities. The Company has filed suits against the banks for non-renewal of the facilities, with the Session Court which are still pending. LAC



SCHEDULE - 12

LIABILITIES FOR GOODS SUPPLIED

<u>Supplier</u>	1998 <u>TAKA</u>	1997 <u>TAKA</u>
Adfame	-----	17,900
Fahad Enterprise	67,867	32,295
Pioneer Scientific Stores	28,429	7,562
Nazmu Electric Co.	2,129	2,129
Shapla Enterprise	4,27,463	1,07,463
Superior Plastic Industries	40,354	1,69,459
Select	2,61,713	3,21,384
Interflag Trading agency	96,613	1,01,273
Sajan Enterprise	-----	10,348
Trade International	57,800	14,075
Poly Chemicals	6,755	47,495
Pigment	3,38,607	75,881
St. Martin Commodities	16,100	4,974
Firoj Traders	8,58,497	4,03,799
Elit Printing	98,000	1,12,500
Toshufa Enterprise	24,185	33,809
Popular Advertising	13,685	21,197
Bangladesh Accessory	2,61,426	1,63,729
Prism	2,91,348	3,63,348
Reliance Enterprise	4,25,129	6,99,120
A.B. Traders	48,500	43,550
Hope Packaging Ltd.	1,860	13,640
Others	13,51,559	1,70,743
	-----	-----
	47,18,019	29,37,673
	=====	=====

These are unsecured. **LAL**

SCHEDULE - 13
LIABILITIES FOR EXPENSES

	<u>1998</u> <u>TAKA</u>	<u>1997</u> <u>TAKA</u>
Gas and Electricity	2,24,166	1,80,660
Salary, Wages and Allowances	14,18,341	12,38,413
Audit Fee	1,00,000	50,000
	----- 17,42,507 =====	----- 14,69,073 =====

SCHEDULE - 14
LIABILITIES FOR OTHER FINANCE

	<u>1998</u> <u>TAKA</u>	<u>1997</u> <u>TAKA</u>
Workers' Participation/Welfare Funds	26,67,776	26,67,776
Dividends Payable	4,06,93,940	4,69,32,160
	----- 4,33,61,716 =====	----- 4,95,99,936 =====

SCHEDULE - 15
MISCELLANEOUS EXPENDITURE

	<u>1998</u> <u>TAKA</u>	<u>1997</u> <u>TAKA</u>
Share Issue Expenses	47,04,728	54,88,849
Pre-operating Expenses	8,86,727	10,34,515
	----- 55,91,455 =====	----- 65,23,364 =====

Share Issue Expenses

Opening Balance	54,88,849	62,72,970
Less Written off at 10%	<u>7,84,121</u>	<u>7,84,121</u>
Closing Balance:	47,04,728 =====	54,88,849 =====

Pre-operating Expenses

Opening Balance	10,34,515	11,82,303
Less Written off at 10%	<u>1,47,788</u>	<u>1,47,788</u>
Closing Balance	8,86,727 =====	10,34,515 =====

LAC
10/3/97

SCHEDULE - 16
CONTINGENT LIABILITIES

Claim raised by the VAT Authority against the Company for value added tax aggregating Tk 3,77,98,752. The Company has filed appeal against such claim to the VAT Appellate Authority.

SCHEDULE - 17
SALES

	1998		1997	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500ml	35,406	14,87,052	2,99,728	1,25,88,576
Dextropac 1000ml	22,690	12,51,211	2,27,441	1,28,91,356
Dextrosal 500ml	20,500	8,65,663	1,91,370	80,17,540
Dextrosal 1000ml	18,121	10,40,189	1,78,306	1,02,34,764
Dextropac-10 500ml	16,581	5,47,155	2,01,995	92,91,770
Dextropac-10 1000ml	21,987	9,45,441	1,71,023	97,48,311
Dianak 500ml	32,930	19,75,809	1,43,792	54,64,096
Dianak 1000ml	19,654	9,04,084	1,80,692	90,34,600
Salpac 500ml	16,701	9,51,957	52,015	17,16,495
Salpac 1000ml	7,213	2,74,094	42,932	18,46,076
Hatman 500ml	4,198	1,76,316	1,56,265	62,05,287
Hartman 1000ml	23,988	9,52,257	45,634	20,90,950
Dextrosal baby 500ml	14,987	6,87,039	64,043	24,33,634
Dextrosal mini 500ml	2,810	85,030	1,64,423	69,05,766
Nidazyl 100ml	1,301	51,513	1,24,112	37,55,629
Maprocin 100ml	27,631	16,38,285	43,820	26,29,200
		-----		-----
		1,38,33,095		10,48,54,050
		=====		=====

LAC

SCHEDULE - 18

COST OF GOODS SOLD

	1998 <u>TAKA</u>	1997 <u>TAKA</u>
Raw Materials Consumed (Schedule 18.1)	14,38,900	39,33,612
Packing Materials Consumed (Schedule 18.2)	72,40,759	4,35,04,820
Wages, Allowances and Bonus (Schedule 18.3)	29,40,942	32,83,300
Gas	6,58,172	5,01,611
Electricity	7,29,748	4,86,282
Fuel and Lubricant	1,68,940	47,815
Research, Test and Analysis Expenses	1,65,169	93,579
Factory Overhead Expenses	17,37,429	9,53,743
Work-in-process Differential (Schedule 18.4)	23,59,197	7,26,179
Finished Products Inventory Differential (Schedule 18.5)	(9,29,374)	51,09,740
Depreciation (Schedule 5)	84,58,694	84,29,421
	-----	-----
	2,49,68,576	6,70,70,102
	=====	=====

LAC

RECEIVED
12-12-2000

SCHEDULE - 18.1

<u>Raw Materials Consumption</u>	<u>1998</u>		<u>1997</u>	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextrose Enhydrose	18.867 MT	7,19,200	53.383 MT	22,92,552
Potassium Chloride	0.242 MT	22,052	3.520 MT	2,41,275
Sodium Acetate	1.267 MT	1,20,318	3.026 MT	2,74,912
Sodium Chloride	4.551 MT	2,10,042	12.747 MT	3,82,168
Metronidazole	0.06257 MT	39,019	0.181 MT	1,05,832
Cipro Floxazine	0.017 MT	84,515	0.060 MT	3,39,048
Calcium Chloride	0.03245 MT	11,162	0.17 MT	46,270
Sodium Lactate	0.664 MT	2,32,592	0.31 MT	2,51,555
		----- 14,38,900 =====		----- 39,33,612 =====

These are imported. *LAC*



SCHEDULE - 18.2

<u>Packing Materials Consumption</u>	1998		1997	
	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
PVC Bag 100 ml.	75,765 pcs	4,68,228	1,65,906 pcs	11,53,047
PVC Bag 500 ml.	1,41,696 pcs	12,92,000	10,46,477 pcs	90,01,161
PVC Bag 1000 ml.	63,084 pcs	8,81,460	10,77,777 pcs	1,04,62,921
Outer Bag	3,85,327 pcs	1,92,664	23,39,559 pcs	14,62,883
Stopper	3,00,805 pcs	8,23,974	22,90,160 pcs	73,88,690
Layflat Tube	9,793 kg	18,64,923	30,572 kg	55,06,914
Pyrogen free Medical Tube	3,111 kg	2,02,149	1,328 kg	1,87,768
Colour roll for I.V. Fluid	204 roll	2,81,585	527 roll	5,80,384
Outer Label	1,00,612 pcs	44,269	1,45,352 pcs	77,682
Infusion Set	123 ctn	4,78,600	3,83,500 pcs	24,93,250
Cartoon	20,915 pcs	6,82,725	1,15,098 pcs	37,96,920
Others	----	28,182	----	13,93,200
		----- 72,40,759 =====		----- 4,35,04,820 =====

	1998		1997	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Imported	58,14,319	80	3,42,80,885	79
Local	<u>14,26,440</u>	<u>20</u>	<u>92,23,935</u>	<u>21</u>
	<u>72,40,759</u>	<u>100</u>	<u>4,35,04,820</u>	<u>100</u> <i>LAC</i>



SCHEDULE - 18.3

	1998		1997	
<u>Wages, Allowances and Bonus</u>	<u>Number</u>	<u>Taka</u>	<u>Number</u>	<u>Taka</u>
Employees drawing Tk 3000 per month or above	12	9,70,604	10	6,02,433
Employees drawing less then Tk 3000 per month	<u>82</u>	<u>19,70,338</u>	<u>93</u>	<u>26,80,867</u>
	94	29,40,642	103	32,83,300

SCHEDULE - 18.4

WORK-IN-PROCESS DEFFERENTIAL

	1998	1997
	<u>Taka</u>	<u>Taka</u>
Opening Stock	27,28,722	34,54,901
Less : Closing Stock	<u>3,69,525</u>	<u>27,28,722</u>
Work in Process Differential	23,59,197	7,26,179

SCHEDULE - 18.5

FINISHED GOODS DIFFERENTIALS

	1998	1997
	<u>Taka</u>	<u>Taka</u>
Opening Stock	18,42,606	69,52,346
Less : Closing Stock	<u>27,71,980</u>	<u>18,42,606</u>
Finished Goods Differential	(9,29,374)	51,09,740



SCHEDULE - 19
ADMINISTRATIVE AND GENERAL EXPENSES

	<u>1998</u> <u>Taka</u>	<u>1997</u> <u>Taka</u>
Salary, Allowances and Bonus	20,69,060	21,28,755
Director Remuneration & Allowances	3,98,000	3,98,000
Postage, Telephone and Telegram	1,85,073	2,25,313
Printing and Stationery	51,017	83,840
Repairs and Maintenance	1,69,783	97,699
Share Issue Expenses written off (Schedule 15)	1,47,788	1,47,788
Pre-Operating Expenses written off (Schedule 15)	7,84,121	7,84,121
Advertisement and publication	1,05,697	72,042
Travelling and Conveyance	1,11,850	1,92,296
Security & Guard Expenses	1,28,054	1,29,250
Bank Charges & Commission	1,19,743	1,56,159
News Papers and Periodicals	1,842	1,983
Legal & Professional Expenses	52,040	43,600
Entertainment	38,813	27,742
Audit Fee	50,000	50,000
Rent, Rates and Taxes	27,713	47,280
Insurance Premium	1,58,362	-----
Lease Rent	76,55,345	53,20,690
Sundry Expenses	3,74,863	1,54,149
AGM Expenses	-----	8,20,876
Depreciation (Schedule 5)	24,54,739	24,34,724
	-----	-----
	1,50,83,903	1,33,16,307
	=====	=====

Other than audit fee, no fee was paid to auditors.

The break-up Salary, Allowances and Bonus is as below:

	1998		1997	
	<u>Number</u>	<u>Taka</u>	<u>Number</u>	<u>Taka</u>
Employees drawing Tk 3000 per month or above	24	19,24,136	26	19,61,492
Employees drawing less then Tk 3000 per month	<u>06</u> <u>30</u>	<u>1,44,924</u> <u>20,69,060</u>	<u>06</u> <u>32</u>	<u>1,67,263</u> <u>21,28,755</u> LAC

SCHEDULE - 20
SELLING AND DISTRIBUTION EXPENSES

	<u>1998</u> <u>Taka</u>	<u>1997</u> <u>Taka</u>
Salaries, Allowance and Bonus	9,85,800	8,93,058
Carrying and Delivery Expenses	12,04,526	17,13,516
Sales Force Expenses	78,81,150	95,89,784
Postage, Telephone and Telegram	1,73,064	2,48,815
Cost of Tender Schedule	8,100	4,800
Conference Expenses	12,899	28,664
Other Selling Expenses	7,20,339	32,44,757
	----- 1,09,85,878 =====	----- 1,57,23,394 =====

The break-up Salary, Allowances and Bonus is as below:

	<u>1998</u>		<u>1997</u>	
	<u>Number</u>	<u>Taka</u>	<u>Number</u>	<u>Taka</u>
Employees drawing Tk 3000 per month or above	06	9,36,597	06	8,46,810
Employees drawing less then Tk 3000 per month	<u>02</u> <u>08</u>	<u>49,203</u> <u>9,85,800</u>	<u>02</u> <u>08</u>	<u>46,248</u> <u>8,93,058</u>

SCHEDULE - 21
FINANCIAL EXPENSES

	<u>1998</u> <u>Taka</u>	<u>1997</u> <u>Taka</u>
Interest on Cash Credits	4,42,98,967	4,13,67,194
Interest on LIM	23,39,679	-----
	----- 4,66,38,646 =====	----- 4,13,67,194 =====

LAC

SCHEDULE-22

GENERAL

22.1 The capacity and actual production of the Company for the year are as below:

<u>Item</u>	<u>Capacity</u>	<u>Actual Production</u>	<u>Percentage</u>	<u>Reasons for under-capacity utilization.</u>
Intravenous fluid and Injectables	42,00,000	2,67,537	6.37%	Lack of working capital forcing slow down of activity

22.2 There was no capital expenditure contracted but not incurred or provided for; or authorised by the Board of Directors of the Company but not contracted, at balance sheet date.

22.3 There was no claim against the Company not acknowledged as debt or no contingent liability other than those disclosed in Schedule-16 or provided for, on balance sheet date.

22.4 There was no credit facilities available to the Company but not availed of other than those disclosed in Schedule-11.

22.5 No compensation was allowed to the Managing Director, no fee was paid to any directors or no amount was paid to any directors for any special services other than those disclosed in Schedule-19.

22.6 No amount is due to or from any director or associated Company other than those disclosed in Schedules-6 and 9.

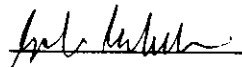
22.7 No commission, brokerage or discount was paid against sales other than that in the ordinary course of business.

22.8 There was neither any earning in foreign exchange against sales or services, nor any disbursement in foreign exchange for royalty or services.

22.9 The company had 7(1997:7) foreign shareholders having 59,340(1997:77,400) shares on 30 June 1998. No dividend was remitted to foreign shareholders during the year. LAL



Md. Obaidul Karim
Managing Director



Golam Mohiuddin
Director



Md Kayes Mahmud
Company Secretary