

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2001
OF
ORION INFUSION LIMITED**

Auditors' Report to the Shareholders of Orion Infusion Limited.

We have audited the annexed Balance Sheet of Orion Infusion Limited as at 30 June 2001 and its Profit and Loss Account and Cash Flows Statement for the year then ended together with the accompanying Schedules (1 to 22) as prepared by the Company under the historical cost convention and in due conformance with generally accepted accounting principles and procedures, and also the International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh and produced to us by it for our examination in due conformance with the International Standards on Auditing, adopted by ICAB.

Respective Responsibilities of Directors and Auditors:

The Directors are responsible for preparation and presentation of the financial statements. Our responsibilities, as independent auditors, are established by the Companies Act, 1994, the Securities and Exchange Rules, 1987 and the International Standards on Auditing adopted in Bangladesh, and to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Audit Opinion:

We conducted our audit in accordance with International Standards on Auditing adopted in Bangladesh. 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. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statements presentation.

Opinion:

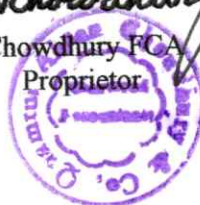
- (a) In our opinion, subject to the contents of Schedules 3,6,7,11,14 and 16 and the fact that the fixed assets, inventories and cash in hand have not been physically verified by us, the annexed Balance Sheet and Profit and Loss Account and Cash Flows Statement present a true and fair view of the state of the Company's affairs as at 30 June 2001 and of the loss incurred and cash flows for the year then ended and these financial statements have been drawn up in accordance with requirements of the Companies Act, 1994; Securities and Exchange Rules, 1987 and other applicable laws and rules containing all the information in the manner required by the said relevant laws and rules and the IASs adopted and applicable in Bangladesh including IAS 24;
- (b) Our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the accounts and financial statements;
- (c) We have obtained all the information, explanations and documents as required by us;
- (d) The Company's management has followed relevant provisions of laws and rules in managing the affairs of the Company and that proper books of accounts, records and other statutory books have been properly maintained;
- (e) The Balance Sheet, Profit and Loss Account and Cash Flows Statement are in agreement with the said books of accounts maintained by the Company and examined by us while the Cash Flows Statement conforms with the presentation laid out in the IAS-7 (Cash Flows Statement); and
- (f) The expenditures incurred and payments made were for the purpose of the Company's business for the year.

Quamrul Ahsan Chowdhury & Co.
Chartered Accountants

Q.A Chowdhury FCA

Proprietor

Chittagong
5 March 2002



ORION INFUSION LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

<u>SL.NO.</u>	<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>2001 TAKA</u>	<u>2000 TAKA</u>
1.	<u>Sources of Fund</u>			
1.1	<u>Shareholders' Fund</u>			
	a) Share Capital	3	20,35,97,600	20,35,97,600
	b) Reserves and Surplus	4	41,56,589	41,56,589
			<u>20,77,54,189</u>	<u>20,77,54,189</u>
2.	<u>Applications of Fund</u>			
2.1	<u>Fixed Assets</u>			
	a) Gross Block	5	24,96,91,582	24,79,06,725
	b) Less : Accumulated Depreciation		<u>7,94,68,398</u>	<u>6,89,92,283</u>
	c) Net Block		17,02,23,184	17,89,14,442
2.2	<u>Investments</u>	6	<u>11,39,62,719</u>	<u>12,47,45,734</u>
			28,41,85,903	30,36,60,176
2.3	<u>Current Assets, Loans and Advances</u>			
	a) Inventories	7	7,23,44,371	7,38,52,269
	b) Sundry Debtors	8	1,65,75,142	1,47,07,791
	c) Advances, Deposits and other Receivables	9	3,26,96,210	2,79,82,842
	d) Cash and Bank Balances	10	10,20,491	5,82,791
			12,26,36,214	11,71,25,693
	<u>Less : Current Liabilities and Provisions</u>			
	a) Cash Credits - Secured	11	36,88,60,189	36,42,44,850
	b) Liabilities for Goods Supplied	12	61,84,483	45,11,349
	c) Liabilities for Expenses	13	30,62,547	19,57,104
	d) Liabilities for other Finance	14	23,15,12,477	15,02,15,281
			60,96,19,696	52,09,28,584
	<u>Net Current Assets</u>		(48,69,83,482)	(40,38,02,891)
2.4	<u>Profit & Loss Account- Loss carried forward</u>		40,77,56,040	30,41,69,267
2.5	<u>Miscellaneous Expenditure to the extent not written off or adjusted.</u>	15	27,95,728	37,27,637
2.6	<u>Contingent Liabilities</u>	16	---	---
			<u>20,77,54,189</u>	<u>20,77,54,189</u>

AUDITORS' REPORT TO THE SHAREHOLDERS
See report annexed

The annexed schedules from a part of this Balance Sheet.

Md. Obaidul Karim
Managing Director

Arzuda Karim
Director

Paresh Chandra Datta
Company Secretary




ORION INFUSION LIMITED


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001


<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>2001</u> <u>(Taka)</u>	<u>2000</u> <u>(Taka)</u>
Sales :	17	2,97,71,078	2,11,16,941
Less : Cost of Goods Sold	18	2,56,88,404	2,54,16,076
Gross Profit/(Loss)		40,82,674	(42,99,135)
Operating Expenses :			
General and Administrative Expenses	19	1,23,08,842	1,11,24,277
Selling and Distribution Expenses	20	1,39,62,721	1,29,92,986
		2,62,71,563	2,41,17,263
Operating Loss		(2,21,88,889)	(2,84,16,398)
Interest Expenses	21	8,13,97,884	6,67,51,265
Net Loss		(10,35,86,773)	(9,51,67,663)
Loss brought forward		(30,41,69,267)	(20,90,01,604)
Loss Carried forward		(40,77,56,040)	(30,41,69,267)
Earning (Net Loss) Per Share		(50.88)	(46.74)

AUDITORS' REPORT TO THE SHAREHOLDERS
See report annexed.

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


Md. Obaidul Karim
Managing Director


Arzuda Karim
Director


Paresh Chandra Datta
Company Secretary



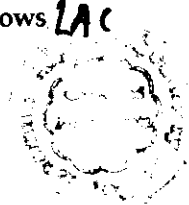
ORION INFUSION LIMITED

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE 2001


<u>PARTICULARS</u>	<u>2001</u> <u>Taka</u>	<u>2000</u> <u>Taka</u>
Cash & Bank Balances at the Beginning of the year	5,82,791	5,76,251
Cash Flows from Operating Activities :		
Cash Received from Customers	2,79,03,727	2,04,51,129
Cash Paid to Suppliers & Employees	(4,05,05,914)	(3,47,66,467)
Cash Flows from Operations	(1,26,02,187)	(1,43,15,338)
Income Tax Deducted at Source	(10,28,063)	(2,52,902)
	(1,36,30,250)	(1,45,68,240)
Cash Flows from Investing Activities :		
Acquisition of Fixed Assets	(17,84,857)	(2,14,687)
Investments Refunded **	1,07,83,015	1,76,76,462
	89,98,158	1,74,61,775
Cash Flows from Financing Activities :		
Bank Loans Taken/(Repaid)	46,15,339	(28,85,715)
Received from Associated Companies	5,55,141	—
Dividend Paid	(1,00,688)	(1,280)
	50,69,792	(28,86,995)
Cash & Bank Balances at the Closing of the year	10,20,491	5,82,791

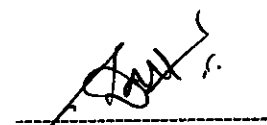
AUDITORS' REPORT TO THE SHAREHOLDERS
Statement
See annexed report

The annexed schedules from a part of this Cash Flows **LAC**




Md. Obaidul Karim
Managing Director


Arzuda Karim
Director


Paresh Chandra Datta
Company Secretary

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ORION INFUSION LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001 FORMING AN 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 and is now 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 with both the Dhaka and Chittagong Stock Exchanges 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 2001;
- (ii) Profit and Loss Account for the year ended 30 June 2001;
- (iii) Cash Flows Statement for the year ended 30 June 2001; and
- (iv) Schedules for the year ended 30 June 2001.

(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 enjoyed tax-holiday upto 28 February 2000.

(e) Comparative Information:

Comparative information have been disclosed in respect of the year ended 30 June 2000 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 2000 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 Exchanges Rules, 1987; Listing Regulations of Dhaka and Chittagong Stock Exchanges, and other relevant local laws as applicable. The cash flows from operating activities are computed under direct method as prescribed by the Securities and Exchange Rules, 1987.

(g) Compliance with International Accounting Standards:

The financial statements have been prepared in compliance with requirements of the International Accounting Standards (IASs), issued by 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 year from 1st July to 30th June next consistently. **LAL**



SCHEDULE - 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. New carrying amounts (written down value) are arrived at after deduction of accumulated depreciation from gross carrying amounts (cost).

The gross carrying amounts (cost) represent cost of acquisition or construction, and capitalization of pre-production expenditure including interest during construction period.

(v) **Depreciation:**

Depreciation has been charged under Straight Line method at the following rates.

<u>Items</u>	<u>Rate Percentage</u>
Freehold Building	2.5
Leasehold Building	4.0
Plant, machinery and equipment	5.0
Furniture and fixtures and office equipment	10.0
Vehicles	20.0
Books	25.0

(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 funds has been incorporated at 5% of the net profit before such contribution.

(ix) **Miscellaneous expenditure:**

Share issue cost and Pre-operation expenses are stated at cost less amortization at 10%.

(x) **Sales:**

Turnover comprises the invoice value of goods supplied by the Company and represents local sales less 15% VAT. **LAC**

(xi) Revenue Recognition:

Sales are 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 these financial statements, which were available for use by the Company without any restriction, and where 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 "Earning Per Share" as adopted in Bangladesh. **LA**



SCHEDULE - 3 SHARE CAPITAL

	2001 (TAKA)	2000 (TAKA)
3.1 <u>Authorised</u>		
1,00,00,000 Ordinary Shares of Tk. 100 each.	<u>100,00,00,000</u>	<u>100,00,00,000</u>
3.2 <u>Issued subscribed and paid – up</u>		
20,35,976 Ordinary Shares of Tk. 100 each. Return of Allotment has not been submitted against allotment of 35,976 right shares.	<u>20,35,97,600</u>	<u>20,35,97,600</u>

3.3 The shareholding pattern is as below :

<u>Description</u>	<u>No. of shareholders</u>	<u>No. of shares held</u>	2001 <u>Holding (%)</u>	2000 <u>Holding(%)</u>
Less then 500 shares	8,762	5,41,816	26.61%	26.61%
501 to 5000 shares	292	2,38,360	11.71%	11.71%
5001 to 10000 shares	19	1,29,280	6.35%	6.35%
10001 to 20000 shares	9	77,520	3.81%	3.81%
20001 to above	7	10,49,000	51.52%	51.52%
Total	<u>9,089</u>	<u>20,35,976</u>	<u>100%</u>	<u>100%</u>

3.4 The position of Shareholders as on 30 June, 2001 is as follows.

	<u>Nos. of Shareholders</u>	<u>Number of Shares</u>	2001 <u>% of shareholding</u>	2000 <u>% of shareholding</u>
Sponsors	7	9,42,400	46.29%	46.29%
Foreign Investors	7	59,240	2.91%	2.91%
Financial Institutions	4	1,02,080	5.01%	5.01%
General Public	9,071	9,32,256	45.79%	45.79%
	<u>9,089</u>	<u>20,35,976</u>	<u>100%</u>	<u>100%</u>

SCHEDULE - 4 RESERVES AND SURPLUS

	2001 (TAKA)	2000 (TAKA)
Tax holiday reserve	<u>41,56,589</u>	<u>41,56,589</u>
	<u>41,56,589</u>	<u>41,56,589</u>



SCHEDULE OF FI

Cost

No.	Items	On 1 July 2000	Additions during this year	At 30 2000
		Taka	Taka	Taka
1.	Land & land development	94,67,829	----	94,67,829
2.	Freehold Building	5,07,95,687	----	5,07,95,687
3.	Leasehold Building	3,60,42,466	----	3,60,42,466
4.	Plant, Machinery & Equipment	14,41,82,583	15,35,235	14,57,17,818
5.	Furniture and Fixtures	37,28,388	1,60,609	38,88,997
6.	Office Equipment	8,08,340	89,013	8,97,353
7.	Vehicles	28,69,140	----	28,69,140
8.	Books	12,292	----	12,292
	Total Taka	24,79,06,725	17,84,857	24,96,91,582
	2000 Total Taka	24,76,92,038	2,14,687	24,79,06,725

5.1 DEPRECIATION HAVE BEEN CHARGED DURING THE YEAR AS UNDER :

	2001 Taka
Cost of Goods Sold (Schedule - 18)	85,55,782
General & Administrative Expenses (Schedule - 19)	19,20,333
	<u>1,04,76,115</u>

SCHEDULE - 6 **INVESTMENT**

	<u>2001</u> <u>(TAKA)</u>	<u>2000</u> <u>(TAKA)</u>
Orioplast Ltd.	2,89,20,739	2,89,20,739
Orion Mushroom Ltd.	8,50,41,980	9,58,24,995
	<u>11,39,62,719</u>	<u>12,47,45,734</u>

These investments are made in the Associated Companies, and considered good by the directors

SCHEDULE - 7 **INVENTORIES**

	<u>2001</u> <u>(TAKA)</u>	<u>2000</u> <u>(TAKA)</u>
Raw Materials (Schedule- 7.1)	5,16,08,678	5,17,20,827
Packing Materials (Schedule- 7.2)	1,32,65,136	1,48,35,371
Work-in-Process (Schedule- 7.3)	15,61,929	15,94,020
Finished Products (Schedule-7.4)	47,46,063	41,70,553
Promotional Materials	1,65,496	6,71,107
Spares & Accessories	5,82,520	5,82,520
Stationery	4,14,549	2,77,871
	<u>7,23,44,371</u>	<u>7,38,52,269</u>

Inventories worth Tk.6,27,10,153 (2000: Tk.6,27,10,153) are lying in various godowns of the Banks, which are not released to the Company for its utilization. The inventories are not considered obsolete and dead by the directors. **LAC**



7.1 Raw Materials

	2001		2000	
	<u>Quantity (kgs)</u>	<u>Taka</u>	<u>Quantity (kgs)</u>	<u>Taka</u>
Dextrose Anhydrous	3,387	1,58,823	14,875	2,76,622
Potassium Chloride	71	15,753	48.42	7,450
Sodium Acetate	669	1,05,010	869	1,19,679
Sodium Chloride	7277	3,97,735	1930	1,04,519
Metronidazole B.P.	27	10,918	30	13,755
Cipro floxazine Lactate	41	1,26,293	7.31	84,280
Calcium Chloride	17	3,210	45	9,495
Sodium Lactate	423	1,20,646	57	2,926
Genthamycin	550	58,71,250	550	58,71,250
Thacetazone B.P.	950	56,52,500	950	56,52,500
Chaphalexin Mono Compacted	400	37,80,000	400	37,80,000
Helozone N.F.	1,100	1,37,50,000	1,100	1,37,50,000
Doxyclyne Mono Compacted	225	21,37,500	225	21,37,500
Sulphamethozalone	3,600	85,50,000	3,600	85,50,000
Thiamin H.C.L.	240	6,17,040	240	6,17,040
Metronidazole B.P.	1,000	11,26,000	1,000	11,26,000
Benzoate Metronidazole	650	7,76,100	650	7,76,100
Tetracycline H.C.L.	850	51,85,000	850	51,85,000
Chaphalaxine Mono Compacted	350	32,24,900	350	32,24,900
		<u>5,16,08,678</u>		<u>5,12,89,016</u>



7.2 Packing Materials

	2001		2000	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
PVC Bag 100 ml.	1,28,950 pcs	12,64,999	1,96,941 pcs	13,14,343
PVC Bag 500 ml.	1,15,741 pcs	12,15,000	1,22,081 pcs	13,05,896
PVC Bag 1000 ml.	2,70,000 pcs	28,08,000	3,27,269 pcs	33,04,359
Outer Bag	2,65,900 pcs	1,46,245	2,21,608 pcs	1,30,277
Stopper	5,88,890 pcs	21,20,004	7,43,407 pcs	21,72,956
Layflat Tube	18,000 kg	37,62,000	22,900 kg	43,61,000
Pyroxene free Medical Tube	1450 kg	3,19,000	2,150 kg	3,49,800
Color roll for I.V. Fluid	220 roll	3,67,400	424 roll	6,13,488
Outer Label	39,600 pcs	17,820	38,374 pcs	16,541
Infusion Set	273 Ctn	10,65,325	273 Ctn	10,65,325
Cartoon	39,162 pcs	58,743	14,658 pcs	36,334
Others	-----	1,20,600	-----	1,65,052
		<u>1,32,65,136</u>		<u>1,48,35,371</u>

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7.3 Work - in - Process

	2001		2000	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500 ml.	7,001	2,94,042	11,362	4,77,204
Dextropac 1000 ml.	8,071	4,57,464	11,106	6,29,488
Dextrosal 500ml.	4,693	1,97,106	---	---
Dextrosal 1000 ml.	1,012	58,089	2,211	1,26,911
Dextropac 10 - 500 ml.	1,220	56,120	960	44,160
Dextropac 10 - 1000 ml.	2,360	1,34,520	1,418	80,826
Dextroal Baby	1,542	58,596	---	---
Hartman 500 ml	1,529	60,717	428	16,996
Hartman 1000 ml.	220	10,080	378	17,320
Salpac - 1000 ml	1,344	57,792	--	---
Maprocin - 100 ml	810	68,016	360	30,229
Nidazyl - 100 ml	2,020	69,387	3,215	1,10,436
Dianak - 1000ml	800	40,000	1,209	60,450
		<u>15,61,929</u>		<u>15,94,020</u>



7.4

41,70,553

SCHEDULE - 8
SUNDRY DEBTORS

2001		2000	
<u>NOS</u>	<u>TAKA</u>	<u>NOS</u>	<u>TAKA</u>
Pharmacies - 2020	131,39,342	Pharmacies - 1907	1,17,85,942
Hospitals - 60	14,15,600	Hospitals- 59	11,92,753
Clinics - 310	20,20,200	Clinics- 306	17,29,096
2390	<u>1,65,75,142</u>	2272	<u>1,47,07,791</u>

These are unsecured but considered good by the directors

SCHEDULE - 9
ADVANCES, DEPOSITS AND OTHER RECEIVABLE

	2001 (TAKA)	2000 (TAKA)
<u>Advances :</u>		
Advance Income Tax	23,58,252	13,30,189
Tour and Other Advances	3,38,526	1,65,330
Security Service Advance	9,200	9,200
	27,05,978	15,04,719
<u>Deposits :</u>		
VAT Deposit	3,20,820	2,12,093
Lease Deposit	21,29,760	21,29,760
Security Deposits	6,91,270	4,82,771
Earnest Money	33,216	28,216
Protirakhya Sanchya Patra	1,00,000	1,00,000
L/C Margin Deposit	40,60,582	3,15,558
	73,35,648	32,68,398
<u>Other Receivables:</u>		
Due from Orion Laboratories Ltd. (an Associated Company)	2,26,54,584	2,32,09,725
	<u>3,26,96,210</u>	<u>2,79,82,842</u>

The receivables are unsecured but considered good by the directors.



SCHEDULE - 10 CASH AND BANK BALANCES

	2001 (TAKA)	2000 (TAKA)
<u>Cash at Banks</u>		
Agrani Bank A/c No. 1006, WASA Branch	698	290
Agrani Bank A/c No. 9933-3, WASA Branch	2,720	2,720
Agrani Bank A/c No. 668, WASA Branch	26,155	4,482
Janata Bank, Corporate Branch	3,71,658	3,71,658
Pubali Bank Ltd., Tejgaon Branch	5,753	70,886
Bangladesh Shilpa Bank, Dhaka	65	65
Dhaka Bank Ltd., Banani Branch	13,206	14,466
National Bank Ltd., Imamgonj Branch	580	580
National Bank Ltd., Mohakhali Branch	5,73,299	1,07,120
Rupali Bank Ltd., T.C.B. Branch	----	136
Mercantile Bank Ltd., Main Branch	6,007	----
	-----	-----
	10,00,141	572,403
<u>Cash in Hand</u>	20,350	10,388
	-----	-----
	10,20,491	5,82,791
	=====	=====

No bank statements could be obtained for balances aggregating Tk.3,365 (2000: Tk.3,365), which are doubtful of realisation.

SCHEDULE - 11 BANK LOANS-SECURED

	2001 (TAKA)	2000 (TAKA)
<u>Cash Credits</u>		
Agrani Bank, C.C. (P) - 5, WASA Branch	31,60,565	31,60,565
Agrani Bank, C.C. (H) - 14, WASA Branch	29,23,33,204	29,23,33,204
	29,54,93,769	29,54,93,769
Janata Bank, C.C. (P) - 12, Corporate Branch	6,05,08,796	6,05,08,796
	-----	-----
	35,60,02,565	35,60,02,565
<u>LIM :</u>		
Agrani Bank, WASA Branch	81,82,720	81,93,220
Rupali Bank Ltd., T.C.B. Branch	-----	49,065
	81,82,720	82,42,285
<u>LTR:</u>		
Mercantile Bank Ltd., Main Branch	46,74,904	-----
	-----	-----
	36,88,60,189	36,42,44,850
	=====	=====

The tenure of the facilities from Agrani Bank and Janata Bank have expired but the banks have not renewed the facilities. The Company has filed suits against Agrani Bank for non renewal of the facilities, with the Session Court which are still pending for verdict. Janata Bank has filed suit against the Company, with the Loan Recovery Court, which is contested by the Company. No bank statements could be obtained from these banks. On 18 February 2002, Janata Bank has agreed to keep the aforesaid suit in abeyance and re-fixed the liabilities at Tk.566.25 lac, repayable within 3 years, on fulfillment of certain conditions.



SCHEDULE - 12
LIABILITIES FOR GOODS SUPPLIED

<u>Suppliers</u>	<u>2001</u> <u>(TAKA)</u>	<u>2000</u> <u>(TAKA)</u>
Fahad Enterprise	1,73,619	1,73,619
Pioneer Scientific Stores	8,148	4,740
Mokbul Ahmed	21,189	21,190
Bright Printing and Packages	77,200	-----
Imperial Trading	47,500	40,701
Tuhin Chemical	41,000	-----
Select	-----	99,213
Inter Plag Trading	-----	22,623
Core Health Care Ltd.	4,26,762	4,26,763
Surma Traders	23,000	23,000
Sazan Enterprise	9,514	9,514
Universal Trade Center	-----	9,935
Poly Chems.	22,065	8,605
Pigment	43,607	1,28,607
Rappy Enterprise	96,743	60,821
Royal Printing	3,532	3,532
Firoz Traders	10,39,229	10,39,229
Elit Computer Service	-----	8,000
Sundarban Courier Service	2,304	1,980
Toshofa Enterprise	12,741	-----
Popular Advertising	-----	27,547
Bangladesh Accessory	3,02,021	3,83,896
H.S. Industries	-----	31,530
Reliance Enterprise	12,52,140	10,01,140
South East Corporation	-----	1,67,145
Jony Enterprise	28,800	-----
Shahid Enterprise	3,04,776	8,967
Hope Pacaging Ltd.	1,860	1,860
City Chemical Ltd.	23,620	16,343
Ledger Printers	5,93,271	3,27,684
Dammam Transport Agency	6,600	-----
Tripti Industries Ind.	1,10,750	1,90,500
AnnaSha Packaging	828	3,450
Pragati Insurance Ltd.	2,38,574	18,800
Bangladesh General Insurance Co. Ltd.	3,34,475	41,000
Uma Export	1,00,000	1,00,000
Phoenix Insurance Co. Ltd.	20,097	-----
RM Systems Ltd.	-----	66,000
Creative Engineering. Ltd.	-----	22,915
Fate	-----	20,500
Islami Commercial Insurance Co. Ltd.	48,193	-----
Fame Printing	3,00,652	-----
Phomax Printing and Packages	30,963	-----
Nupu Corporation	1,60,000	-----
Imperial Enterprise	2,78,710	-----
	<u>61,84,483</u>	<u>45,11,349</u>

These are unsecured **LAC**



SCHEDULE- 13
LIABILITIES FOR EXPENSES

	2001 (TAKA)	2000 (TAKA)
Gas and Electricity	3,46,978	3,21,409
Salary, Wages and Expenses payable to Employees	26,15,569	15,35,695
Audit Fee	1,00,000	1,00,000
	<u>30,62,547</u>	<u>19,57,104</u>

SCHEDULE - 14
LIABILITIES FOR OTHER FINANCE

	2001 (TAKA)	2000 (TAKA)
Workers Participation/Welfare Funds	26,67,776	26,67,776
Dividend Payable (See below)	3,97,72,640	3,98,73,328
Provision for Interest on Bank Loans	18,90,72,061	10,76,74,177
	<u>23,15,12,477</u>	<u>15,02,15,281</u>

The Company could not pay the dividends within statutory time limit of 60 days as the banks did not renew the banking facilities, forcing the Company to slow down production and to default payments. The Shareholders in their 14th Annual General Meeting held on 27 July 2001 agreed to defer payment of dividend for the years ended 30 June 1995 and 1996 upto 30 June 2005.



SCHEDULE - 15
MISCELLANEOUS EXPENDITURE

	2001 (TAKA)	2000 (TAKA)
Share Issue Expenses	23,52,365	31,36,486
Pre-operating Expenses	4,43,363	5,91,151
	<u>27,95,728</u>	<u>37,27,637</u>
15.1 <u>Share Issue Expenses</u>		
Opening Balance	31,36,486	39,20,607
Less Written off	7,84,121	7,84,121
Closing Balance:	<u>23,52,365</u>	<u>31,36,486</u>
15.2 <u>Pre-operating Expenses</u>		
Opening Balance	5,91,151	7,38,939
Less Written off	1,47,788	1,47,788
Closing Balance	<u>4,43,363</u>	<u>5,91,151</u>

SCHEDULE -16
CONTINGENT LIABILITIES

Claims raised by the VAT Authority against the Company for value added tax (VAT) aggregating Tk.3, 77,98,752. The Company has filed appeal against such claims to the High Court Division of the Supreme Court of Bangladesh, which is still pending for verdict. **LAC**



SCHEDULE -17
SALES REVENUE

	<u>2001</u>		<u>2000</u>	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500ml	37,821	15,88,482	35,803	15,03,726
Dextropac 1000ml	55,127	31,24,598	41,808	23,69,677
Dextrosal 500ml	41,791	17,55,222	26,503	11,13,126
Dextrosal 1000ml	85,280	48,95,072	57,634	33,08,192
Dextropac-10 -500ml	58,378	26,85,388	44,132	20,30,072
Dextropac -10- 1000ml	65,865	37,54,305	44,186	25,18,602
Dianak 500ml	34,562	13,13,356	11,106	4,22,028
Dianak 1000ml	41,001	20,50,050	24,138	12,06,900
Salpac 500ml	31,550	10,41,150	5,366	1,77,078
Salpac 1000ml	26,021	11,18,903	11,435	4,91,705
Hartman 500ml	6,400	2,54,144	9,733	3,86,498
Hartman 1000ml	26,855	12,30,496	35,352	16,19,829
Dextrosal baby	12,225	4,64,550	5,527	2,10,026
Dextrosal mini	14,748	6,19,416	9,241	3,88,122
Nidazyl 100ml	31,969	10,98,135	60,756	20,86,968
Maprocin 100ml	49,650	27,77,811	15,298	12,84,392
		<u>2,97,71,078</u>		<u>2,11,16,941</u>



SCHEDULE - 18 COST OF GOODS SOLD

	<u>2001</u> <u>(TAKA)</u>	<u>2000</u> <u>(TAKA)</u>
Raw Materials Consumed (Schedule 18.1)	14,47,609	16,81,816
Packing Materials Consumed (Schedule 18.2)	94,15,765	88,51,290
Wages, Allowances and Bonus (Schedule 18.3)	31,11,872	31,33,259
Gas	11,82,398	10,06,683
Electricity	10,01,381	7,35,588
Fuel and Lubricant	1,49,895	63,315
Research, Test and Analysis Expenses	91,380	87,670
Factory Overhead Expenses	12,75,771	9,92,354
Work-in-process Differential (Schedule 18.4)	32,091	1,28,910
Finished products Differential (Schedule 18.5)	(5,75,510)	2,56,170
Depreciation (Schedule 5.1)	85,55,782	84,79,021
	<u>2,56,88,404</u>	<u>2,54,16,076</u>

18.1 Raw Materials Consumed

	<u>2001</u>	<u>2000</u>
	<u>Quantity (kgs)</u>	<u>Quantity (kgs)</u>
Dextrose Enhydrose	2,265 ⁴⁶⁸¹⁸⁰	2,774 ⁴⁰²⁷⁷
Potassium Chloride	10 ²²¹²	21 ⁶⁹⁵
Sodium Acetate	46 ¹⁵⁷⁰	1,159 ¹⁰⁰⁵⁰
Sodium Chloride	2,981 ⁵⁴⁶⁵	4,557 ³⁸⁶⁸
Metronidazole	20 ⁴¹⁰⁹⁵	102 ⁶⁵⁵⁷⁰
Ciprofloxazine	19 ³⁰⁹⁹⁶³	29 ³⁴³⁶
Calcium Chloride	15 ¹⁹¹⁶⁰	32 ³⁹²⁸¹
Sodium Lactate	205 ²⁸⁵²²	401 ¹⁹⁵
	<u>14,47,609</u>	<u>16,81,816</u>

These are imported. **LAC**



18.2 Packing Materials Consumed

	2001		2000	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
PVC Bag 100 ml	66,385 pcs 9.97	6,62,522	71,027 pcs 8.55	6,07,281
PVC Bag 500 ml	2,42,341 pcs 8.48	20,57,475	1,40,218 pcs 8.56	12,00,267
PVC Bag 1000 ml	3,08,880 pcs 9.67	29,74,514	2,23,005 pcs 9.58	21,36,388
Outer Bag	6,17,693 pcs 0.61	3,82,435	4,31,396 pcs 0.59	2,53,605
Stopper	6,15,437 pcs 4.40	27,14,077	4,31,182 pcs 3.30	14,25,499
Layflat Tube	----	----	8,955 kg	18,15,429
Pyrogen Free Medical Tube	----	----	1,109 kg	2,27,345
Colour roll for I.V. Fluid	----	----	206 roll	3,06,766
Outer Label	16,698 pcs .44	7,514	15,514 pcs .47	6,688
Cartoon	65,334 pcs 1.50	98,001	19,795 pcs 35. W	6,92,840
Others	----	5,19,227	----	1,79,182
		<u>94,15,765</u>		<u>88,51,290</u>

	2001		2000	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Imported	33,76,599	36	37,75,039	43
Local	60,39,166	64	50,76,251	57
	<u>94,15,765</u>	<u>100</u>	<u>88,51,290</u>	<u>100</u>



18.3	<u>The break-up of Wages, Allowances and Bonus is as Below :</u>	2001		2000	
		<u>Number</u>	<u>Taka</u>	<u>Number</u>	<u>Taka</u>
	Employees drawing Tk. 3000 per month or above	15	10,97,688	10	8,36,085
	Employees drawing less then Tk. 3000 per month	82	20,14,154	95	22,97,174
		<u>97</u>	<u>31,11,842</u>	<u>105</u>	<u>31,33,259</u>

18.4	WORK-IN-PROCESS DIFFERENTIAL :	2001 (Taka)	2000 (Taka)
	Opening Stock	15,94,020	17,22,930
	Less : Closing Stock	15,61,929	15,94,020
	Work-in process differential	<u>32,091</u>	<u>1,28,910</u>

18.5	FINISHED PRODUCTS DIFFERENTIALS:	2001 (Taka)	2000 (Taka)
	Opening Stock	41,70,553	44,26,723
	Less: Closing Stock	47,46,063	41,70,553
	Finished Goods differential	<u>(5,75,510)</u>	<u>2,56,170</u>



SCHEDULE - 19
ADMINISTRATIVE AND GENERAL EXPENSES

	2001 (Taka)	2000 (Taka)
Salaries, Allowances and Bonus	19,86,558	15,53,884
Director Remuneration & Allowances	3,98,000	3,98,000
Postage, Telephone and Telegram	2,15,772	1,32,758
Printing and Stationery	36,451	31,665
Repairs and Maintenance	47,332	65,531
Share Issue Expenses written off (Schedule - 15.1)	7,84,121	7,84,121
Pre Operating Expenses written off (Schedule - 15.2)	1,47,788	1,47,788
Advertisement and publication	46,350	17,300
Travelling and Conveyance	2,28,366	1,42,976
Security & Guard Expenses	1,35,600	1,35,600
Bank Charges & Commission	1,40,373	2,05,104
News Papers and Periodicals	1,873	2,214
Legal & Professional Exp.	91,000	1,59,500
Entertainment	8,942	4,877
Audit Fee	50,000	50,000
Rent, Rates and Taxes	30,815	50,034
Lease Rent	44,80,019	44,02,435
Sundry Expenses	2,80,000	3,17,472
Insurance	1,98,614	3,40,732
Depreciation (Schedule 5.1)	19,20,333	21,82,286
A.G.M. Expenses	10,80,535	----
	<u>1,23,08,842</u>	<u>1,11,24,277</u>

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

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

	2001	2000
	<u>Number</u>	<u>Number</u>
Employees drawing Tk. 3000 per month or above	24	22
Employees drawing less then Tk. 3000 per month	04	05
	<u>28</u>	<u>27</u>
	<u>19,86,558</u>	<u>15,53,884</u>



SCHEDULE - 20
SELLING AND DISTRIBUTION EXPENSES

	<u>2001</u> <u>(Taka)</u>	<u>2000</u> <u>(Taka)</u>
Salary, Allowance and Bonus	6,58,949	6,41,757
Carrying and Delivery Expenses	24,50,300	18,90,721
Sales Force Expenses	96,20,500	94,63,256
Postage, Telephone and Telegram	1,95,300	1,65,596
Cost of Tender Schedule	2,000	3,000
Conference Expenses	2,85,072	1,45,376
Other Selling Expenses	7,50,600	6,83,280
	<u>1,39,62,721</u>	<u>1,29,92,986</u>

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

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

	2001		2000	
	<u>Number</u>	<u>Taka</u>	<u>Number</u>	<u>Taka</u>
Employees drawing Tk. 3000 per month or above	03	6,04,029	03	5,89,029
Employees drawing less then Tk. 3000 per month	02	54,920	02	52,728
	<u>05</u>	<u>6,58,949</u>	<u>05</u>	<u>6,41,757</u>

SCHEDULE - 21
INTEREST EXPENSES

	<u>2001</u> <u>(Taka)</u>	<u>2000</u> <u>(Taka)</u>
Interest on Cash Credits	8,00,43,786	6,54,16,030
Interest on LIM/LTR	13,54,098	13,35,235
	<u>8,13,97,884</u>	<u>6,67,51,265</u>



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SCHEDULE – 22


GENERAL


22.1 The Capacity and actual production of the company for the year are as below:

Item	Capacity	Actual Production	Percentage	Reason for under Capacity Utilization
Intravenous fluid and Injectables	42,00,000	6,32,731 (2000:4,28,373)	15.07% (2000:10.19%)	Lack of working capital forcing slow down of activity.

- 22.2 There was no capital expenditure contracted but not incurred or provided for; or authorized 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 were no credit facilities available to the Company but not availed of other than those disclosed in Schedule-11, and lease facilities aggregating Tk. 1,09,69,119 at 30 June 2001(2000:Tk.1,34,06,011).
- 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 & 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 foreign shareholders having 59,240(2000:59,240) shares on 30 June 2001. No dividend was remitted to foreign shareholders during the year. LAC


Md. Obaidul Karim
Managing Director


Arzuda Karim
Director


Paresh Chandra Datta
Company Secretary

SCHEDULE - 5 **SCHEDULE OF FIXED ASSETS AS AT 30 JUNE, 2001**

No.	Items	Cost			Depreciation				Written down Value at 30 June 2001 Taka
		On 1 July 2000 Taka	Additions during this year Taka	At 30 June 2001 Taka	Rate (%)	On 1 July, 2000 Taka	During this year Taka	At 30 June 2001 Taka	
1.	Land & land development	94,67,829	---	94,67,829	---	---	---	94,67,829	
2.	Freehold Building	5,07,95,687	---	5,07,95,687	2.5	88,10,458	12,69,892	4,07,15,337	
3.	Leasehold Building	3,60,42,466	---	3,60,42,466	4	77,02,045	14,41,698	2,68,98,723	
4.	Plant, Machinery & Equipment	14,41,82,583	15,35,235	14,57,17,818	5	4,72,11,369	72,85,890	9,12,20,559	
5.	Furniture and Fixtures	37,28,388	1,60,609	38,88,997	10	20,31,590	3,88,900	14,68,507	
6.	Office Equipment	8,08,340	89,013	8,97,353	10	3,55,389	89,735	4,52,229	
7.	Vehicles	28,69,140	---	28,69,140	20	28,69,140	---	---	
8.	Books	12,292	---	12,292	25	12,292	---	---	
Total Taka		24,79,06,725	17,94,857	24,96,91,582	---	6,89,92,283	1,04,76,115	17,02,23,184	
2000 Total Taka		24,76,92,038	2,14,687	24,79,06,725	---	5,83,30,976	1,06,61,307	17,89,14,442	

5.1 DEPRECIATION HAVE BEEN CHARGED DURING THE YEAR AS UNDER :

	2001 Taka	2000 Taka
Cost of Goods Sold (Schedule - 18)	85,55,782	84,79,021
General & Administrative Expenses (Schedule - 19)	19,20,333	21,82,286
	1,04,76,115	1,06,61,307

