

**FINANCIAL STATEMENTS**

**OF**

**ORION INFUSION LIMITED**

**FOR THE YEAR  
ENDED 30 JUNE 2002**

7

## AUDITORS' REPORT TO THE SHAREHOLDERS OF ORION INFUSION LIMITED

We have audited the annexed Balance Sheet of Orion Infusion Limited as of 30 June 2002 and the related Profit and Loss Account, the Cash Flows Statement and Statement of Changes in the Shareholders' Equity for the year then ended together with the accompanying Schedules thereto.

### Respective Responsibilities of Directors and Auditors:

The Directors are responsible for preparation and presentation of the financial statements. Our responsibility, as independent auditors, 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.

### Opinion:

(a) In our opinion, the financial statements prepared in accordance with the International Financial Reporting Standards (formerly known as International Accounting Standards-IASs) as adopted by the Institute of Chartered Accountants of Bangladesh, give, subject to the contents of Schedules -3, 6, 7, 11, 14, 16 and 22, a true and fair view of the Company's affairs as at 30 June 2002 and of the results of its operations, changes in its equity, and its cash flows for the year then ended and comply with the Companies Act, 1994; the Securities and Exchange Rules, 1987; other applicable laws and regulations and the IASs as adopted and applicable to Bangladesh;

(b) Our examination of the financial statements, schedules, books, accounts, vouchers and documents were sufficient to enable us to express an opinion on the financial statements;


(c) 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;

(d) The Company's management has followed relevant laws and rules in managing its affairs; and has kept proper books of account as required by law so far as it appeared from our examination of those books;

(e) The Company's annexed financial statements and accompanying schedules thereto dealt with by the report are in agreement with the books of account; and

(f) The expenditures incurred and payments made were for the purpose of the Company's business.

Quamrul Ahsan Chowdhury & Co  
Chartered Accountants

  
Q.A. Chowdhury FCA  
Proprietor

Dated: Chittagong, 15 October, 2002


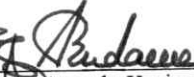
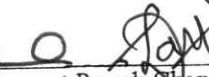
# ORION INFUSION LIMITED

## BALANCE SHEET AS AT 30 JUNE 2002

SL. NO.	PARTICULARS	SCHEDULE	2002 TAKA	2001 TAKA
1.	<b>Sources of Fund</b>			
1.1	<b>Shareholders' Fund</b>			
	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.	<b>Applications of Fund</b>			
2.1	<b>Fixed Assets</b>			
	a) Gross Block	5	25,41,28,606	24,96,91,582
	b) Less : Accumulated Depreciation		<u>9,05,04,756</u>	<u>7,94,68,398</u>
	c) Net Block		16,36,23,850	17,02,23,184
2.2	<b>Investments</b>	6	<u>12,47,45,734</u>	<u>11,39,62,719</u>
			28,83,69,584	28,41,85,903
2.3	<b>Current Assets, Loans and Advances</b>			
	a) Inventories	7	6,77,69,429	7,23,44,371
	b) Trade Receivables	8	49,43,237	1,65,75,142
	c) Other Receivables	9	2,23,53,622	3,26,96,210
	d) Cash and Bank Balances	10	<u>21,76,458</u>	<u>10,20,491</u>
			9,72,42,746	12,26,36,214
	<b>Less : Current Liabilities and Provisions</b>			
	a) Bank Loans and Credits – Secured	11	<u>37,05,71,751</u>	<u>36,88,60,189</u>
	b) Trade Payables	12	55,42,027	61,84,483
	c) Accrued Expenses	13	30,89,711	30,62,547
	d) Other Payables	14	<u>32,51,65,450</u>	<u>23,15,12,477</u>
			70,43,68,939	60,96,19,696
	<b>Net Current Assets</b>		(60,71,26,193)	(48,69,83,482)
2.4	<b>Profit &amp; Loss Account-Loss carried forward</b>		52,46,46,979	40,77,56,040
2.5	<b>Miscellaneous Expenditure to the extent not written off or adjusted.</b>	15	18,63,819	27,95,728
2.6	<b>Contingent Liabilities</b>	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      Arzuda Karim      Paresi Chandra Datta  
 Managing Director      Director      Company Secretary



# ORION INFUSION LIMITED


## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

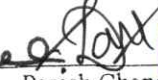
<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Net Sales :	17	4,56,24,741	2,97,71,078
Less : Cost Of Goods Sold	18	3,69,86,928	2,56,88,404
		<hr/>	<hr/>
Gross Profit		86,37,813	40,82,674
Operating Expenses :			
General and Administrative Expenses	19	1,06,13,442	1,23,08,842
Selling and Distribution Expenses	20	1,98,19,734	1,39,62,721
		3,04,33,176	2,62,71,563
		<hr/>	<hr/>
Operating Loss		(2,17,95,363)	(2,21,88,889)
Interest Expenses	21	9,50,95,576	8,13,97,884
		<hr/>	<hr/>
Net Loss	22	(11,68,90,939)	(10,35,86,773)
Loss brought forward		(40,77,56,040)	(30,41,69,267)
		<hr/>	<hr/>
Loss Carried forward		(52,46,46,979)	(40,77,56,040)
		<hr/>	<hr/>
Earning (Net Loss) Per Share		(57.41)	(50.88)
		<hr/>	<hr/>

AUDITORS' REPORT TO THE SHAREHOLDERS  
See report annexed

The annexed schedules from a part of this Profit & Loss Account

  
 Md Obaidul Karim  
 Managing Director

  
 Arzuda Karim  
 Director

  
 Paresh Chandra Datta  
 Company Secretary




# ORION INFUSION LIMITED


## CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2002


<u>PARTICULARS</u>	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Cash & Bank Balance at the Beginning of the year	10,20,491	5,82,791
Cash Flows from Operating Activities:		
Cash Received from Customers	5,72,56,646	2,79,03,727
Cash Paid to Suppliers & Employees	(5,40,62,358)	(4,05,05,914)
Cash Flows from Operations	31,94,288	(1,26,02,187)
Income Tax Deducted at Source	(4,60,219)	(10,28,063)
	27,34,069	(1,36,30,250)
Cash Flows from Investing Activities:		
Acquisition of Fixed Assets	(44,37,024)	(17,84,857)
Investments Returned	(1,07,83,015)	1,07,83,015
	(1,52,20,039)	89,98,158
Cash Flows from Financing Activities:		
Bank Loans Taken/(Repaid)	17,11,562	46,15,339
Received from Associated Companies	1,20,46,855	5,55,141
Dividend Paid	(1,16,480)	(1,00,688)
	1,36,41,937	50,69,792
Cash & Bank Balances at the Closing of the year	21,76,458	10,20,491

AUDITORS' REPORT TO THE SHAREHOLDERS  
See annexed report

The annexed schedules form a part of this Cash  
Flows Statement

  
 Md Obaidul Karim  
 Managing Director

  
 Arzuda Karim  
 Director

  
 Paresh Chandra Datta  
 Company Secretary




# ORION INFUSION LIMITED


## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 30 JUNE 2002


<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Share Capital	3	20,35,97,600	20,35,97,600
Tax Holiday Reserve	4	41,56,589	41,56,589
Profit & Loss Account:	22		
Opening Balance		(48,69,83,482)	(30,41,69,267)
Net loss for the year		(11,68,90,939)	(10,35,86,773)
Closing Balance		(52,46,46,979)	(40,77,56,040)
Net Shareholders' Equity	22	<u>(31,68,92,790)</u>	<u>(20,00,01,851)</u>

AUDITORS' REPORT TO THE SHAREHOLDERS  
See annexed report

The annexed schedules from a part of this  
Statement of Changes in Shareholders' Equity

  
 Md. Obaidul Karim  
 Managing Director

  
 Aszuda Karim  
 Director

  
 Paresh Chandra Datta  
 Company Secretary





# ORION INFUSION LIMITED

## SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002 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 and is now under the entrepreneurship of the 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 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 2002;
- (ii) Profit and Loss Account for the year ended 30 June 2002;
- (iii) Cash Flows Statement for the year ended 30 June 2002;
- (iv) Statement of Changes in Shareholders' Equity for the year ended 30 June 2002; and
- (v) 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 already enjoyed tax-holiday upto 28 February 2000.

#### **(e) Comparative Information:**

Comparative information have been disclosed in respect of the year ended 30 June 2001 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 2001 have been reclassified wherever considered necessary to ensure comparability with the current period.



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**(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 Exchange, 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 the requirements of the International Financial Reporting Standards (formerly known as the International Accounting Standards) (IASs) approved by the International Accounting Standards Board (formerly known as 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. **LAC**





## SCHEDULE-2

### STATEMENTS OF ACCOUNTING POLICIES APPLIED AND EXPLANATORY NOTES:

**(i) Accrual Basis of Accounting:**

The financial statements have been prepared, except for cash flows 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.

The 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.

**(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.



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**(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 costs and Pre-operating expenses are stated at cost less amortization 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 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 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 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.

**Weighted Average Number of Ordinary shares Outstanding during the Year:**

This represents the number of ordinary shares outstanding during the year.

**Earnings per Share (EPS) Basic:**

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



**SCHEDULE-3**  
**SHARE CAPITAL**

		2002 Taka	2001 Taka
3.1	<b>Authorised</b> 1,00,00,000 Ordinary Shares of Tk. 100 each.	<u>100,00,00,000</u>	<u>100,00,00,000</u>
3.2	<b>Issued, subscribed and paid - up</b> 20,35,976 Ordinary Shares of Tk. 100 each. Return of Allotment has not yet been submitted to the Registrar of Joint Stock Companies, Dhaka 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 :**

Description	No. of shareholders	No. of shares held	2002 Holding %	2001 Holding %
Less then 500 shares	9022	3,64,880	17.92%	26.61%
501 to 5000 shares	516	3,61,280	17.74%	11.71%
5001 to 10000 shares	26	1,81,920	8.94%	6.35%
10001 to 20000 shares	8	1,21,056	5.95%	3.81%
20001 to above	6	10,06,840	49.45%	51.52%
Total	<u>9578</u>	<u>20,35,976</u>	<u>100%</u>	<u>100%</u>

3.4 **The class of shareholders is as follows.**

	Nos. of Shareholders	Number of Shares	2002 % of shareholding	2001 % of shareholding
Sponsors	6	9,67,840	47.56%	46.29%
Foreign Investors	2	13,640	0.76%	2.91%
Financial Institutions	4	1,11,640	5.47%	5.01%
General Public	8023	9,40,856	46.21%	45.79%
	<u>8035</u>	<u>20,35,976</u>	<u>100%</u>	<u>100%</u>

**SCHEDULE - 4**  
**RESERVES AND SURPLUS**

	2002 Taka	2001 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 - 5

### SCHEDULE OF FIXED ASSETS AS AT 30 JUNE, 2002

No.	Items	Cost		Rate (%)	Depreciation		Written Down Value at 30 June 2002 Taka
		On 1 July 2001 Taka	Addition during this year Taka		At 30 June 2002 Taka	During this year Taka	
1.	Land & land development	94,67,829	...	...	...	...	94,67,829
2.	Freehold Building	5,07,95,687	...	2.5	5,07,95,687	12,69,892	3,94,45,445
3.	Leasehold Building	3,60,42,466	...	4	3,60,42,466	14,41,698	2,54,57,025
4.	Plant, Machinery & Equip.	14,57,17,818	20,60,638	5	14,77,78,456	73,88,923	8,58,92,274
5.	Furniture and Fixture	38,88,997	75,951	10	39,64,948	3,96,495	11,47,963
6.	Office Equipment	8,97,353	1,04,688	10	10,02,041	1,00,204	4,56,716
7.	Vehicles	28,69,140	21,95,747	20	50,64,887	4,39,149	17,56,598
8.	Books	12,292	...	25	12,292	...	...
	<b>Total Taka</b>	<b>24,96,91,582</b>	<b>44,37,024</b>		<b>25,41,28,606</b>	<b>1,10,36,361</b>	<b>16,36,23,850</b>
	<b>2001 Total Taka</b>	<b>24,79,06,725</b>	<b>17,84,857</b>		<b>24,96,91,582</b>	<b>1,04,76,115</b>	<b>17,02,23,184</b>

Depreciation for this year has been charged as under:-

	2002 Taka	2001 Taka
Cost of Goods Sold (Schedule - 18)	Tk. 85,58,815	Tk. 85,55,782
General & Administrative Expenses (Schedule - 19)	Tk. 23,77,546	Tk. 19,20,333
	Tk. 1,10,36,361	Tk. 1,04,76,115

Cost of Goods Sold (Schedule - 18)

General & Administrative Expenses (Schedule - 19)





**SCHEDULE - 6**  
**INVESTMENTS**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Orioplast Ltd.	2,89,20,739	2,89,20,739
Orion Mushroom Ltd.	9,58,24,995	8,50,41,980
	<u>12,47,45,734</u>	<u>11,39,62,719</u>

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

**SCHEDULE - 7**  
**INVENTORIES**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Raw Materials (Note- 7.1)	5,23,29,480	5,16,08,678
Packing Materials (Note- 7.2)	93,41,600	1,32,65,136
Work-in-Process (Note- 7.3)	8,62,525	15,61,929
Finished Products (Note-7.4)	46,71,859	47,46,063
Promotional Materials	1,32,051	1,65,496
Spraes & Accessories	---	5,82,520
Stationery	4,31,914	4,14,549
	<u>6,77,69,429</u>	<u>7,23,44,371</u>

Inventories worth Tk.6,27,10,153 (2001: 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.





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7.1 Raw Materials

	2002		2001	
	<u>Quantity(kgs)</u>	<u>Taka</u>	<u>Quantity(kgs)</u>	<u>Taka</u>
Dextrose Anhydrous	7,042	3,66,622	3,387	1,58,823
Potassium Chloride	62	10,106	71	15,753
Sodium Acetate	833	1,24,133	669	1,05,010
Sodium Chloride	5,677	6,13,491	7,277	3,97,735
Metronidazole B.P.	33	12,590	27	10,918
Cipro floxazine Lactate	78	2,64,564	41	1,26,293
Calcium Chloride	38	10,620	17	3,210
Sodium Lactate	895	2,57,064	423	1,20,646
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
Doxycycline 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>5,23,29,480</u>		<u>5,16,08,678</u>

50,670,290



## 7.2 Packing Materials

	2002		2001	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
PVC Bag 100 ml.	82,648pcs	7,34,752	1,28,950pcs	12,64,999
PVC Bag 500 ml.	89,711pcs	7,61,646	1,15,741pcs	12,15,000
PVC Bag 1000 ml.	2,02,151pcs	19,46,714	2,70,000pcs	28,08,000
Outer Bag	8,21,041pcs	5,07,409	2,65,900pcs	1,46,245
Stopper	4,20,600pcs	15,30,984	5,88,890pcs	21,20,004
Layflat Tube	12,600kg	23,94,000	18,000kg	37,62,000
Pyroxene free Medical Tube	220kg	41,360	1,450kg	3,19,000
Color roll for I.V. Fluid	127Roll	1,93,040	220Roll	3,67,400
Outer Label	77,230pcs	21,066	39,600pcs	17,820
Infusion Set	273Ctn	10,65,325	273Ctn	10,65,325
Cartoon	76,661pcs	75,644	39,162pcs	58,743
Others	----	69,660	----	1,20,600
		<u>93,41,600</u>		<u>1,32,65,136</u>



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7.3

Work-in-Process

	2002		2001	
	Quantity	Taka	Quantity	Taka
Dextropac 500 ml.	---	---	7,001	2,94,042
Dextropac 1000 ml.	6,751	1,04,779	8,071	4,57,464
Dextrosal 500ml.	4,621	65,461	4,693	1,97,106
Dextrosal 1000 ml.	5,476	99,129	1,212	58,089
Dextropac 10 - 500 ml.	4,612	65,945	1,220	56,120
Dextropac 10 - 1000 ml.	6,801	1,26,017	2,360	1,34,520
Dextroal Baby	2,259	32,821	1,542	58,596
Hartman 500 ml	2,312	33,291	1,529	60,717
Hartman 1000 ml.	5,378	94,724	220	10,080
Salpac - 1000 ml	1,607	25,154	1,344	57,792
Maprocin - 100 ml	4,941	75,270	810	68,016
Nidazyl - 100 ml	9,422	1,16,454	2,020	69,387
Dianak - 1000ml	---	---	800	40,000
Dextrosal-ISO 1000ml	1,346	23,480	---	---
		<u>8,62,525</u>		<u>15,61,929</u>



## 7.4

Finished Products

	2002		2001	
	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500 ml.	4,828	2,00,458	4,828	2,02,776
Dextropac 1000 ml.	8,772	4,91,583	7,672	4,34,849
Dextrosal 500ml.	4,567	1,89,622	5,567	2,33,814
Dextrosal 1000 ml.	7,613	4,32,038	8,613	4,94,386
Dextropac 10 - 500 ml.	6,811	3,09,764	5,811	2,67,306
Dextropac 10 - 1000 ml.	12,024	6,77,552	11,149	6,35,493
Dextrosal Baby	2,624	98,584	3,152	1,19,776
Dextrosal Mini	4,771	1,98,092	3,671	1,54,182
Hartman 500 ml.	3,715	1,45,851	4,315	1,71,348
Hartman 1000 ml.	9,280	4,20,384	8,080	3,70,226
Dianak 500 ml.	5,790	2,17,530	4,790	1,82,020
Dianak 1000 ml.	4,604	2,27,576	6,604	3,30,200
Nidazyl 100 ml.	2,520	85,579	2,020	69,387
Salpac 500 ml.	3,498	1,14,140	3,198	1,05,534
Salpac 1000 ml.	1,317	55,986	2,317	99,631
Maprocin 100ml	9,722	8,07,120	10,422	8,75,135
		<u>46,71,859</u>		<u>47,46,063</u>



**SCHEDULE - 8**  
**TRADE RECEIVABLES**

	2002		2001	
	NOS	Taka	NOS	Taka
Pharmacies	1,260	30,47,684	2,020	1,31,39,342
Hospitals	18	3,89,380	60	14,15,600
Clinics	60	15,06,173	310	20,20,200
	<u>1,338</u>	<u>49,43,237</u>	<u>2,390</u>	<u>1,65,75,142</u>

These are unsecured but considered good by the directors

**SCHEDULE - 9**  
**OTHER RECEIVABLES**

	2002	2001
	Taka	Taka
<b><u>Advances :</u></b>		
Advance Income Tax	28,18,471	23,58,252
Tour and Other Advances	6,20,596	3,38,526
Security Service Advance	<u>9,200</u>	<u>9,200</u>
	34,48,267	27,05,978
<b><u>Deposits :</u></b>		
VAT Deposit	2,15,967	3,20,820
Lease Deposit	21,29,760	21,29,760
Security Deposits	8,84,650	6,91,270
Earnest Money	46,216	33,216
Pratirakhya Sanchyapatra	1,00,000	1,00,000
L/C Margin Deposit	<u>29,84,198</u>	<u>40,60,582</u>
	63,60,791	73,35,648
<b><u>Other Receivables :</u></b>		
Current Account with Orion Laboratories Ltd. (an Associated Company)	1,25,44,564	2,26,54,584
	<u>2,23,53,622</u>	<u>3,26,96,210</u>

✓ The receivables are unsecured but considered good by the directors





**SCHEDULE - 10**  
**CASH AND BANK BALANCES**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Cash at Banks		
Agrani Bank, A/c No. 1006, WASA Branch	4,146	698
Agrani Bank, A/c No. 9933-3, WASA Branch	---	2,720
Agrani Bank, A/c No. 668, WASA Branch	20,381	26,155
Janata Bank, Corporate Branch	3,71,658	3,71,658
Pubali Bank Ltd., Tejgaon Branch	6,271	5,753
Bangladesh Shilpa Bank, Dhaka	---	65
Dhaka Bank Ltd. Banani Branch	13,086	13,206
National Bank Ltd. Imamgonj Branch	---	580
National Bank Ltd., Mohakhali Branch	5,45,370	5,73,299
Rupali Bank Ltd., T.C.B. Branch	1,98,851	---
Mercantile Bank Ltd., Main Branch	2,31,977	6,007
Al-Baraka Bank (Bangladesh) Ltd., Principal Office	9,970	---
Exim Bank Ltd., Motijheel Branch	9,920	---
Depot Offices' Banks	7,54,828	---
	-----	-----
	21,66,458	10,00,141
	10,000	20,350
Cash in Hand	-----	-----
	21,76,458	10,20,491
	=====	=====

No bank statement could be obtained for balances aggregating Tk.3,365 (2001: Tk.3,365), which are doubtful of realization.



## SCHEDULE - 11 BANK LOANS AND CREDITS-SECURED

<u>Cash Credits:</u>	2002 Taka	2001 Taka
Agrani Bank, C.C. (P) - 5, WASA Branch-Note 11.2	31,60,565	31,60,565
Agrani Bank, C.C. (II) - 14, WASA Branch-Note 11.2	<u>29,23,33,204</u>	<u>29,23,33,204</u>
	29,54,93,769	29,54,93,769
Janata Bank, C.C. (P) - 12, Corporate Branch-Note 11.3	6,05,08,796	6,05,08,796
	<u>35,60,02,565</u>	<u>35,60,02,565</u>
<u>LIM :</u>		
Agrani Bank, WASA Branch-Note 11.2	<u>81,82,720</u>	<u>81,82,720</u>
	36,41,85,285	36,41,85,285
	63,86,466	46,74,904
<u>LTR :</u>		
Mercantile Bank Ltd., Main Branch	<u>37,05,71,751</u>	<u>36,88,60,189</u>

11.1 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 a suit against Agrani Bank for non-renewal of the facilities, with the Session Court, which is still pending for verdict. Janata Bank has filed a suit against the Company, with the Loan Recovery Court, which is contested by the Company. No bank statements could be obtained from these banks.

11.2 On 22 August 2002, Agrani Bank has agreed to re-fix the liabilities at Tk 2025.55 lacs; and transfer such liabilities to interest free, blocked account, re-payable within 10 years in quarterly instalments of Tk 56.27 lacs wef 30 September 2003 subject to fulfillment of certain conditions within 31 December 2002.

11.3 On 18 March 2002, Janata Bank has agreed to keep the aforstated suit in abeyance and re-fixed the liabilities at Tk.566.25 lacs, repayable within 3 years, on fulfillment of certain conditions. The Company has however re-applied to the Bank on 7 September 2002 to re-fix the liabilities at Tk 373.42 lacs, payable within 15 days of approval of such re-fixed liabilities. The Bank finally re-fixed the Company's liabilities to it on 8 October 2002 at Tk 453.94 lac, re-payable within 15 days of the receipt of its approval letter.

11.4 On finalisation of the re-fixation of the Company's liabilities to Agrani Bank and Janata Bank, the Cash Credits are expected to be reduced to an aggregate sum of Tk 2479.49 lacs, canceling a net sum of Tk 11,62,36,285, by writing back to "Prior Years' Adjustments".



**SCHEDULE - 12**  
**TRADE PAYABLES**

<u>Suppliers</u>	2002 <u>Taka</u>	2001 <u>Taka</u>
Fahad Enterprise	1,92,034	1,73,619
Pioneer Scientific Stores	20,713	8,148
Mokbul Ahmed	21,189	21,189
Bright Printing and Packages	1,07,652	77,200
Imperial Trading	74,500	47,500
Tuhin Chemical	41,000	41,000
Tumpa Carton House	24,840	---
Kumu Pens	35,015	---
Core Health Care Ltd.	4,26,762	4,26,762
Surma Traders	23,000	23,000
Sazan Enterprise	4,004	9,514
Hossain Trading Corporation	49,720	---
Poly Chems.	22,065	22,065
Pigment	---	43,607
Rappy Enterprise	---	96,743
Royal Printing	3,532	3,532
Firoz Traders	10,39,229	10,39,229
Holiday Enterprise	30,750	---
Sundarban Courier Service	13,490	2,304
Toshofa Enterprise	---	12,741
Popular Advertising	17,020	---
Bangladesh Accessory	64,216	3,02,021
Shiskat Enterprise	2,817	---
Reliance Enterprise	10,36,640	12,52,140
Tripti Industries Ltd.	49,250	28,800
Shahid Enterprise	3,07,998	3,04,776
Hope Pacaging Ltd.	1,860	1,860
City Chemical Ltd.	58,535	23,620
Ledger Printers	2,39,351	5,93,271
Dammam Transport Agency	---	6,600
Tripti Industries Ind.	---	1,10,750
AnnaSha Packaging	828	828
Pragati Insurancee Ltd.	99,259	2,38,574
Bangladesh General Insurance Co. Ltd.	3,34,475	3,34,475
Uma Export	1,00,000	1,00,000
Phoneix Insurance Co. Ltd.	---	20,097
Creative Engineering Ltd.	6,874	---
Islami Commercial Insurance Co. Ltd.	2,82,528	48,193
Fame Printers	---	3,00,652
Primax Printing and Packages	1,21,756	30,963
Nupu Corporation	4,07,999	1,60,000
Imperial Enterprise	2,81,126	2,78,710
	<u>55,42,027</u>	<u>61,84,483</u>

These are unsecured



**SCHEDULE- 13**  
**ACCRUED EXPENSES**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Gas and Electricity	3,14,897	3,46,978
Salary, Wages and Expenses payable to Employees	27,24,814	26,15,569
Audit Fee	50,000	1,00,000
	<u>30,89,711</u>	<u>30,62,547</u>

**SCHEDULE - 14**  
**OTHER PAYABLES**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Workers Participation/Welfare Funds	26,67,776	26,67,776
Dividend Payable (Note-14.1)	3,96,56,160	3,97,72,640
Provision for Interest on Bank Loans (Note-14.2)	28,28,41,514	18,90,72,061
	<u>32,51,65,450</u>	<u>23,15,12,477</u>

14.1 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 14<sup>th</sup> Annual General Meeting held on 27 July 2001 agreed to defer payment of dividend for the years ended 30 June 1995 and 1996 up to 30 June 2005.

14.2 On re-fixation of the Company's liabilities to Agrani Bank and Janata Bank as explained in Schedule-11, the provision for Interest on Bank Loans would no longer be payable by the Company to these banks, writing back the provision to "Prior Years' Adjustments".



**SCHEDULE - 15**  
**DEFERRED EXPENDITURE**

	2002 Taka	2001 Taka
Share Issue Expenses	15,68,244	23,52,365
Pre-operating Expenses	<u>2,95,575</u>	<u>4,43,363</u>
	18,63,819	27,95,728
	=====	=====
15.1 <u>Share Issue Expenses</u>	23,52,365	31,36,486
Opening Balance	<u>7,84,121</u>	<u>7,84,121</u>
Less Written off	15,68,244	23,52,365
Closing Balance:	=====	=====
15.2 <u>Pre-operating Expenses</u>	4,43,363	5,91,151
Opening Balance	<u>1,47,788</u>	<u>1,47,788</u>
Less Written off	2,95,575	4,43,363
Closing Balance	=====	=====

**SCHEDULE -16**  
**CONTINGENT LIABILITIES**

Claim raised by the VAT Authority against the Company for value added tax (VAT) aggregating Tk.3, 77,98,752. The Company has filed a writ appeal against such claim to the High Court Division of the Supreme Court of Bangladesh, which is still pending for verdict. Meanwhile, the claim has been kept in abeyance by the High Court Division pending the hearing of the appeal.





**SCHEDULE -17**  
**SALES REVENUE**

2002

2001

	<u>Quantity</u>	<u>Taka</u>	<u>Quantity</u>	<u>Taka</u>
Dextropac 500ml	47,322	21,07,811	37,821	15,88,482
Dextropac 1000ml	1,23,450	74,62,374	55,127	31,24,598
Dextrosal 500ml	42,731	19,13,215	41,791	17,55,222
Dextrosal 1000ml	1,52,432	93,65,860	85,280	48,95,072
Dextropac-10 -500ml	51,839	25,57,932	58,378	26,85,388
Dextropac -10- 1000ml	1,18,085	71,72,927	65,865	37,54,305
Dianak 500ml	20,814	8,49,408	34,562	13,13,356
Dianak 1000ml	42,109	22,60,247	41,001	20,50,050
Salpac 500ml	22,500	7,92,760	31,550	10,41,150
Salpac 1000ml	34,395	15,81,471	26,021	11,18,903
Hartman 500ml	26,643	11,30,296	6,400	2,54,144
Hartman 1000ml	81,750	40,39,433	26,855	12,30,496
Dextrosal baby	22,704	9,31,502	12,225	4,64,550
Dextrosal mini	11,596	5,17,562	14,748	6,19,416
Nidazyl 100ml	27,440	9,99,359	31,969	10,98,135
Maprocin 100ml	9,900	9,08,163	49,650	27,77,811
Dextrosal-ISO 500ml	8,860	3,45,717	---	---
Dextrosal-ISO 1000ml	13,600	6,88,704	---	---
		<u>4,56,24,741</u>		<u>2,97,71,078</u>



**SCHEDULE - 18**  
**COST OF GOODS SOLD**

	<u>2002</u> <u>Taka</u>	<u>2001</u> <u>Taka</u>
Raw Materials Consumed (Schedule 18.1)	22,84,355	14,47,609
Packing Materials Consumed (Schedule 18.2)	1,42,86,637	93,12,340
Re-agent Consumption	4,86,582	1,03,425
Wages, Allowances and Bonus (Schedule 18.3)	43,63,364	31,11,872
Spare parts	8,16,177	1,57,953
Gas	14,35,412	11,82,398
Electricity	10,91,343	10,01,381
Fuel and Lubricant	2,93,555	1,49,895
Repair & Maintenance	10,02,800	1,27,327
Research, Test and Analysis Expenses	1,97,534	91,380
Factory Overhead Expenses	12,96,746	9,90,491
Work-in-process Differential (Schedule 18.4)	6,99,404	32,091
Finished products Inventory Differential (Schedule 18.5)	74,204	(5,75,510)
Depreciation (Schedule 5)	86,58,815	85,55,782
	<u>3,69,86,928</u>	<u>2,56,88,404</u>

18.1	Raw Materials Consumed	2002		2001	
		Quantity(kgs)	Taka	Quantity(kgs)	Taka
	Dextrose Enhydrose	32504	16,92,158	22,650	10,61,832
	Potassium Chloride	90	14,776	100	22,170
	Sodium Acetate	351	52,306	460	72,238
	Sodium Chloride	2999	3,24,042	2,981	1,62,911
	Metronidazole	15	6,010	20	8,219
	Ciprofloxazine	3	10,223	19	58,893
	Calcium Chloride	26	7,258	15	2,874
	Sodium Lactate	618	1,77,582	205	58,472
			-----		-----
			22,84,355		14,47,609
			-----		-----



**18.2 Packing Materials Consumed**

	2002		2001	
	Quantity	Taka	Quantity	Taka
PVC Bag 100 ml	37,868pcs	3,53,454	66,385pcs	6,62,522
PVC Bag 500 ml	2,93,237pcs	24,89,582	2,42,341pcs	20,57,475
PVC Bag 1000 ml	6,57,570pcs	63,32,399	3,08,880pcs	29,74,514
Outer Bag	8,61,023pcs	5,72,089	6,17,693pcs	3,82,435
Stopper	9,78,905pcs	35,33,847	6,15,437pcs	27,14,077
Outer Label	31,264pcs	14,025	16,698pcs	7,514
Cartoon	37,385pcs	36,080	65,334pcs	98,001
Others		9,55,161	---	5,19,227
		<u>1,42,86,637</u>		<u>94,15,765</u>

	2002		2001	
	Number	Taka	Number	Taka
<b>18.3 The break-up of Wages, Allowances and Bonus is as below:</b>				
Employees drawing Tk. 3000 per month or above	18	14,67,072	15	10,97,688
Employees drawing less than Tk. 3000 per month	89	28,96,282	82	20,14,154
	<u>107</u>	<u>43,63,354</u>	<u>97</u>	<u>31,11,842</u>

**18.4 WORK-IN-PROCESS DIFFERENTIAL :-**

	2002 Taka	2001 Taka
Opening Stock	15,61,929	15,94,020
Less : Closing Stock	<u>8,62,525</u>	<u>15,61,929</u>
Work-in process differential	<u>6,99,404</u>	<u>32,091</u>

**18.5 FINISHED GOODS DIFFERENTIAL:-**

	2002 Taka	2001 Taka
Opening Stock	47,46,063	41,70,553
Less : Closing Stock	<u>46,71,859</u>	<u>47,46,063</u>
Finished Goods differential	<u>74,204</u>	<u>(5,75,510)</u>



# **SCHEDULE - 19** **ADMINISTRATIVE AND GENERAL EXPENSES**

	2002 Taka	2001 Taka
Salaries, Allowances and Bonus(See below)	22,98,082	19,86,558
Director Remuneration & Allowances	---	3,98,000
Postage, Telephone and Telegram	2,28,698	2,15,772
Printing and Stationery	45,179	36,451
Repairs and Maintenance	44,553	47,332
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	6,925	46,350
Travelling and Conveyance	2,83,590	2,28,366
Security & Guard Expenses	1,35,600	1,35,600
Bank Charges & Commission	1,74,174	1,40,373
News Papers and Periodicals	2,350	1,873
Legal & Professional Exp.	1,56,739	91,000
Entertainment	3,306	8,942
Audit Fee	50,000	50,000
Rent, Rates and Taxes	15,065	30,815
Lease Rent	31,69,750	44,80,019
Sundry Expenses	3,98,396	2,80,000
Insurance	2,91,580	1,98,614
Depreciation (Schedule 5)	23,77,546	19,20,333
A.G.M. Expenses	---	10,80,535
	<u>1,06,13,442</u>	<u>1,23,08,842</u>

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

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

	2002		2001	
	<u>Number</u>	<u>Taka</u>	<u>Number</u>	<u>Taka</u>
Employees drawing Tk. 3000 per month or above	25	21,99,046	24	18,63,762
Employees drawing less than Tk. 3000 per month	03	99,036	04	1,22,796
	<u>28</u>	<u>22,98,082</u>	<u>28</u>	<u>19,86,558</u>





**SCHEDULE - 20**  
**SELLING AND DISTRIBUTION EXPENSES**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Salary, Allowance and Bonus(See below)	9,40,618	6,58,949
Carrying and Delivery Expenses	31,00,166	24,50,300
Sales Force Expenses	1,15,96,319	93,12,523
Postage, Telephone and Telegram	2,41,508	1,95,300
Conference Expenses	4,20,805	2,85,072
Other Selling Expenses	9,74,428	4,55,972
Product Sample	5,70,309	1,95,609
Promotional Expenses (Pad & Literature)	6,38,746	1,12,368
Sales Discount to retailers	13,36,835	2,96,628
	<u>1,98,19,734</u>	<u>1,39,62,721</u>

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

	2002		2001	
	Number	Taka	Number	Taka
Employees drawing Tk. 3000 per month or above	04	8,80,138	03	6,04,029
Employees drawing less than Tk. 3000 per month	02	60,480	02	54,920
	<u>06</u>	<u>9,40,618</u>	<u>05</u>	<u>6,58,949</u>

**SCHEDULE - 21**  
**INTEREST EXPENSES**

	2002 <u>Taka</u>	2001 <u>Taka</u>
Interest on Cash Credits	9,22,03,495	8,00,43,786
Interest on LIM	15,65,958	13,50,035
Interest on LTR	13,26,123	4,063
	<u>9,50,95,576</u>	<u>8,13,97,884</u>

The interest on cash credits and LIM with Agrani Bank and Janata Bank may not be payable to these bank on re-fixation of the Company's liabilities to these banks as explained in Schedule 1A





**SCHEDULE-22**  
**EVENTS AFTER THE BALANCE SHEET DATE**

The Company's efforts to streamline its bank liabilities yielded results after the balance sheet date as explained in Schedule-11 which are however subject to fulfillment of certain conditions within 31 December 2002. Had the impact of these events been considered, the net loss for the year; Profit & Loss Account-loss carried forward; Bank loans and credits; and Other payables would have been Tk 2,31,21,486; Tk 12,55,69,180; Tk 25,43,35,466 and Tk 4,23,23,936 respectively.

**SCHEDULE-23**  
**GENERAL**

23.1 The capacity of the Company and its actual production for the year are as follows:

Item	Capacity	Actual Production		Reasons for Lower Capacity Utilisation
		2002	2001	
Intravenous fluids and injections(million)	4.2	0.858	0.633	Lack of working capital finance, forcing slow down of the Company's activity

23.2 There was no capital expenditure contracted by the Company but not incurred or provided for; or authorized by the Board of Directors of the Company; but not contracted for, at the Balance Sheet date.

23.3 There was no claim against the Company not acknowledged as debt or contingent liability other than that disclosed in Schedule-16 or provided for, on the Balance Sheet date.

23.4 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 1,46,55,075 (2001: Tk 1,09,69,119) and unutilized composite credit limits aggregating Tk 61,13,534 (2001: Tk 78,25,096) from Mercantile Bank Ltd, Main Branch at the Balance Sheet date.

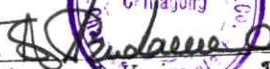
23.5 No compensation was allowed to the Managing Director; no fee was paid to any Directors; or no amount was paid to any Directors for any special services ( except Tk 3,98,000 for the year ended 30 June 2001).

23.6 No amount is due to or from any Director or Associated company other than those disclosed in Schedules-6 and 9.

23.7 No commission, brokerage or discount was paid against sales other than that disclosed in Schedule-20 allowed in the ordinary course of business.

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

23.9 The Company has seven foreign shareholders having 59,240 (2001:59,240) shares on the Balance Sheet date. No dividend was remitted to these shareholders during the year.


Md Obaidul Karim      Arzuda Karim      Paresh Chandra Datta  
 Managing Director      Director      Company Secretary