

2018

INTEGRATED
ANNUAL REPORT



In Search of Excellence

www.orionpharmabd.com

ORION
Pharma Ltd.
Dhaka, Bangladesh

LETTER OF TRANSMITTAL

All Shareholders
Registrar of Joint Stock Companies & Firms
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited.

Dear Sir/Madam (s):

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2018

We are pleased to inform you that the Board of Directors of Orion Pharma Ltd. has taken the decision, in its Board Meeting held on October 31, 2018, to hold the 53rd Annual General Meeting of the Company on December 10, 2018.

In accordance with the requirement of Bangladesh Securities and Exchange Commission, we are enclosing a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2018, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2018 along with notes as well as the Directors' Report of the Company thereon for your record/necessary measures.

Yours sincerely

Sd/-
Md. Ferdous Jaman
Company Secretary
Dated: October 31, 2018

AWARDS AND RECOGNITION

17th ICAB National Award for Best Presented Annual Reports 2016



Orion Pharma Limited awarded at the 17th ICAB National Award Ceremony

It is a matter of great pleasure and honor for Orion Pharma Limited to achieve the 2nd position for the “Best Presented Annual Report – 2016” under the category: Manufacturing Sector, by the Review Committee and Jury Board of the Review Committee for Published Accounts and Reports of Council of ICAB. This is the 2nd time in a row that our company has been awarded this prestigious honor. Our Management always gives utmost effort to be fully compliant with all Government regulations and adhere to all statutory obligations. Hence, this acknowledgement by the ICAB indeed gives our employees a motivation to work harder and continue this winning strike.

The ICAB organized the 17th ICAB National Award ceremony for Best Presented Annual Reports 2016 in a beautiful event at Pan Pacific Sonargaon Hotel on November 25, 2017. The Honorable Finance Minister AMA Muhith, MP was present as Chief Guest while Honorable Commerce Minister Tofail Ahmed, MP was present on the occasion as the Special Guest. Mr. Salman Obaidul Karim, Managing Director of Orion Pharma Limited, received the award on behalf of the company.



Mr. Salman Obaidul Karim, Managing Director and Mr. Md. Ferdous Jaman, Company Secretary of the company receiving the award

Awardees at the 17th ICAB National Award ceremony



SAFA

Best Presented Annual Report Awards 2016



Orion Pharma Limited gets honored at the SAFA Best Presented Annual Report Awards 2016

Orion Pharma Limited is proud to state that we have been awarded the prestigious South Asian Federation of Accountants (SAFA) Awards in recognition of our excellence in financial disclosure at our Integrated Annual Report 2016. The award ceremony took place on January 31, 2018 at Hotel Soaltee Crowne Plaza, Kathmandu, Nepal. SAFA was formed in 1984 to serve the accountancy profession in the South Asian Region and uphold its eminence in the world of accountancy. It is an Apex Body of the SAARC and IFAC.

Orion Pharma Limited has been given the position of the 2nd Runner-up for the "Best Presented Annual Report – 2016" under the category: Manufacturing Sector under SAFA evaluation. Mr. Md. Ferdous Jaman, Company Secretary and Mr. Samaresh Banik, Chief Financial Officer of Orion Pharma Limited, received the award on behalf of the company.

It is a matter of great joy for all the employees and management of the company to have been achieved this international recognition for compliance & presentation of our Annual Report. Needless to say, it will also motivate other Bangladeshi companies to further follow compliance at every spectrum of work-place and reporting.



Mr. Md. Ferdous Jaman, Company Secretary and Mr. Samaresh Banik, Chief Financial Officer of the company receiving the award

Proud team of Orion Pharma Limited at the SAFA Awards Program



INTRODUCING 2018 INTEGRATED ANNUAL REPORT

Scope and boundary

The Integrated Annual Report 2018 comes through rigorous scrutiny and well defined good corporate governance. The report symbolizes the efforts, commitments and dedication of Orion Pharma Limited (OPL) to provide an insight and report its strategy, capitals, governance, financial as well as sustainability performance and prospects to its stakeholders which eventually lead to the creation of value over time and meet the potential stakeholders' demand for information. This Integrated Annual Report concisely depicts the general picture of the company including how it is creating values through its normal course of business in the context of its strategy, opportunities and risks and gives stakeholders a holistic view of the organization's financial and non-financial performance for the financial year ended June 30, 2018 with comparative prior period information and its prospects.

Orion Pharma Limited presents its 2018 Integrated Annual Report with a view to providing a true and transparent picture of the company as well as a full understanding of the financial and non-financial information to all stakeholders for the financial year July 1, 2017 to June 30, 2018, with a particular focus on those stakeholders who are the providers of financial capital.

This report also demonstrates the overview of the performance of the company's subsidiaries, value

created for stakeholders and contribution to the society.

For better understanding of the performance of the subsidiaries, a separate subsidiary report comprising of the Directors' Report as well as the audited financial statements of each subsidiary for the reporting financial year are also included in this report. On top of that the company's separate as well as the consolidated audited financial statements are also presented. The Integrated Report is prepared based on the information which is material, useful, relevant and meaningful to stakeholders for their understanding of the company's ability to build value in the short, medium and longer term.

Through this Integrated Annual Report, OPL again assures its stakeholders that OPL always remains committed to ensuring strong corporate governance as well as to maintain transparency in its disclosures and it will continue to review its reporting approach to make it updated with the best practice reporting standards.

Reporting framework

The contents of this Integrated Report are presented in line with the guidelines issued by Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is aligned with the lines of International <IR> Framework issued by the International Integrated Reporting Council (IIRC).

Other reporting frameworks, where applicable, include:

- Companies Act 1994;
- Bangladesh Securities and Exchange Rules 1987; Commission's Laws, Order, Notification, Directive, Guideline etc;
- The Income Tax Ordinance 1984;
- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs); and
- Other relevant laws and regulations of the land.

Forward looking statements

Certain statements in this report particularly under the points "Outlook" contain forward looking statements which are highly based on assumptions and predictions. Some of the major issues highlighted under this point are future financial performance, growth in production and sales, achievement of international certification on the quality of our medicines, new markets etc. These statements do not guarantee any future outcome rather demonstrates our current expectations. However, actual results might differ significantly from those forecasts made in any forward looking statements because of some future events and circumstances which are beyond the company's control. Therefore, the readers are recommended to use caution when interpreting any forward looking statements of this report.

Capitals of value creation

As we focus on building a sustainable business, we demonstrate the performance and activities related to the six capitals of value creation, described in the Integrated Reporting Framework, and the following icons are used throughout this report:



Financial Capital



Human Capital



Manufactured Capital



Intellectual Capital



Social and Relationship Capital



Natural Capital

Approval and assurance of the integrity of the report

The annual financial statements of Orion Pharma Limited for the financial year ended June 30, 2018 have been audited by the Company's Independent Auditor, M/S Ahmad & Akhtar Chartered Accountants. Also, assurance on compliance of Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission has been achieved from ARTISAN, Chartered Accountants. Other contents of this Integrated Report have been

reviewed by the Audit Committee and subsequently verified by the Board by giving their opinion that the Integrated Report is presented as per the reporting frameworks already stated here.

The OPL's Audit Committee assures that it has reviewed the Integrated Annual Report and annual financial statements and recommended the same to the Board for approval. The Board acknowledges its responsibility to apply their collective mind to the preparation and presentation of this report and ensures that all material matters have been addressed and fairly presented in this Integrated Report.

Availability of the report

We ensure that the printed version of the Integrated Annual Report is forwarded to the shareholders before holding the Annual General Meeting. Also the hard copy of the report is available at the company's registered office and the electronic version of the report is available online at www.orionpharmabd.com for our stakeholders.

Request for feedback

We would appreciate the views, comments, questions and opinions from all stakeholders on the Integrated Annual Report 2018. The stakeholders can share their observation; ask for any information requirements or any query at the following addresses:



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www.orionpharmabd.com
www.orion-group.net



facebook.com/oriongroup.dhaka.bangladesh/
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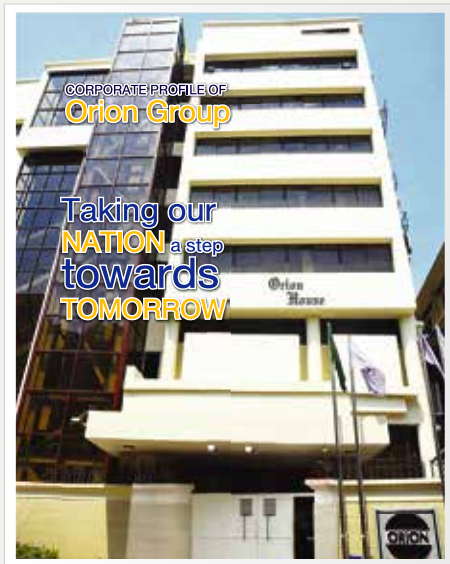


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AT A GLANCE OUR ANNUAL REPORT



Overview

This section introduces the Group as well as the company in a comprehensive way stating the Group's and the company's vision, mission and core values. The readers will further get details about our prominent landmarks, corporate bodies, directors' profile and all other relevant corporate information.

Governance

This section of the report describes Orion Pharma Limited's excellent corporate governance framework & practices, with details about the Board & its sub-committees. Furthermore it also includes the company's pyramidal hierarchical organizational structure, compliance with the code of conduct & ethics, risk management system and stakeholder-relationship management details.

CORPORATE GOVERNANCE FOR STAKEHOLDERS

Corporate Governance
is about balancing economic and social
agendas as well as harmonizing
individual and communal objectives



Capitals

This section illustrates about the six capitals; financial, human, manufactured, intellectual, natural and social & relationship, which are used for value creation for the stakeholders of the company. Over here we have explained the significance of these capitals, their Key Performance Indicators and the way we maintain them in order to retain sustainability in business.



Strategic Report

This section highlights the company's milestones, global presence, business model, value chain, distribution network and various strategic analyses & tools used in our business to establish objectives. This section will also give readers knowledge about the two subsidiaries and the much awaited Pharma Park, which is ready to go for operation.

Performance & Financials

This is the most crucial section of our Integrated Annual Report reflecting the financial performance and financial position of the company. Readers will find different performance measuring tools and statements including the Directors' and Chairman's report along with the management discussion and analysis. This part of the report also contains the audited consolidated and separate financial statements of the company and the audited financial statements of the two subsidiary companies.



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2017-18

Sustainability Reporting

an intrinsic element of Integrated Reporting



Orion Pharma Limited would like to present its 2018 Sustainability Report –also termed as triple bottom line reporting. This report evidently represents our efforts to disclose about the significant Economic, Environmental and Social impacts caused by our everyday activities and performance. It also presents the organization’s values, business model, governance model, governance performance and demonstrates the link between its strategy and its commitment to a sustainable economy.

Sustainability Reporting is an emerging and one of the best reporting practices of 21st century business. In 2016 for the first time, Orion Pharma Ltd. attempted to incorporate Sustainability Reporting in the annual report as an intrinsic element of Integrated Reporting. This year we have tried to enrich our contents and quantify our impact on activities - both positive and negative in all three aspects of Sustainability Reporting.

Reporting process

Last year important and relevant topics were selected by materiality assessment for the Sustainability Report, using internal and external research and sources. In addition, surveys and interviews were held with various stakeholders. All the data were sourced from the concerned departments and the financial data reported in this report were fully sourced and aligned with the OPL’s financial report. This year we have reviewed the reporting process and come to a conclusion that no significant changes have been identified regarding the material issues, scope, boundary and measurement systems.

Sustainability Reporting is an essential part of this Integrated Annual Report. The three aspects of the Sustainability Reporting are the Economic, Social and Environmental systems of the business. In our Annual Report, we have not segregated the chapters into these three spheres, but these pillars have been covered all around the Report whenever required or relevant in any chapter.

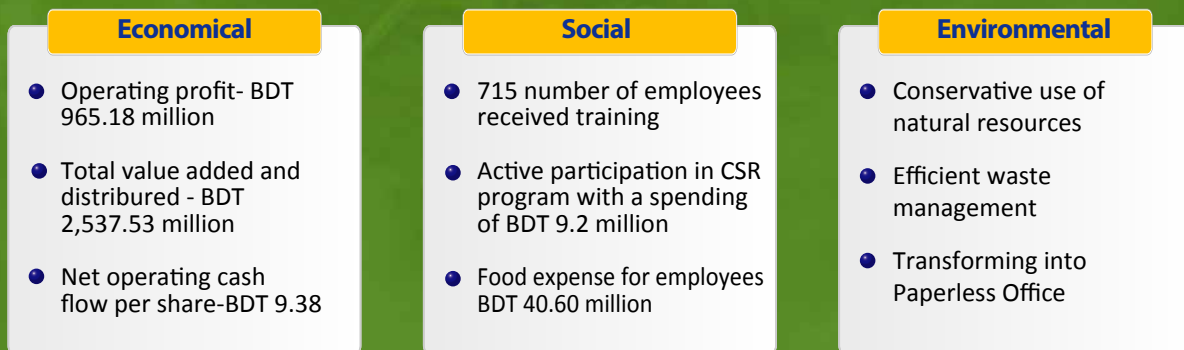


Figure: Three aspects of Sustainability Reporting

HOW WE APPROACHED TO IDENTIFY MATERIAL ISSUES

Materiality Assessment Process

Identifying the material issues of a company is an essential part of preparing the Integrated Annual Report because it helps to make the report both concise and rich, in terms of providing appropriate insight into the past performance and future outlook of the entity. Therefore, Orion Pharma Limited puts a lot of emphasis on this issue.

The Management Team and the Head of Departments went through extensive consultation and document review to derive at the issues that are of major importance and have substantial impact on the company's value creation for its stakeholders. Regular communication with potential stakeholders particularly the providers of financial capital were conducted to obtain inputs in the process of identifying material issues.

Once the material points were identified through the perspectives of

the respective parties, they were quantified and evaluated on the basis of economic, environmental and social impacts. Both financial and qualitative risks, opportunities and strategic objectives of the company were also taken into account when assessing the material aspects and determining how they affect our stakeholders and their goal of attaining maximum utility from our business operations. Furthermore the identified material factors that affect our six capitals: financial, manufactured, intellectual, human, social & relationship and natural capital; were also considered in the preparation of this report.

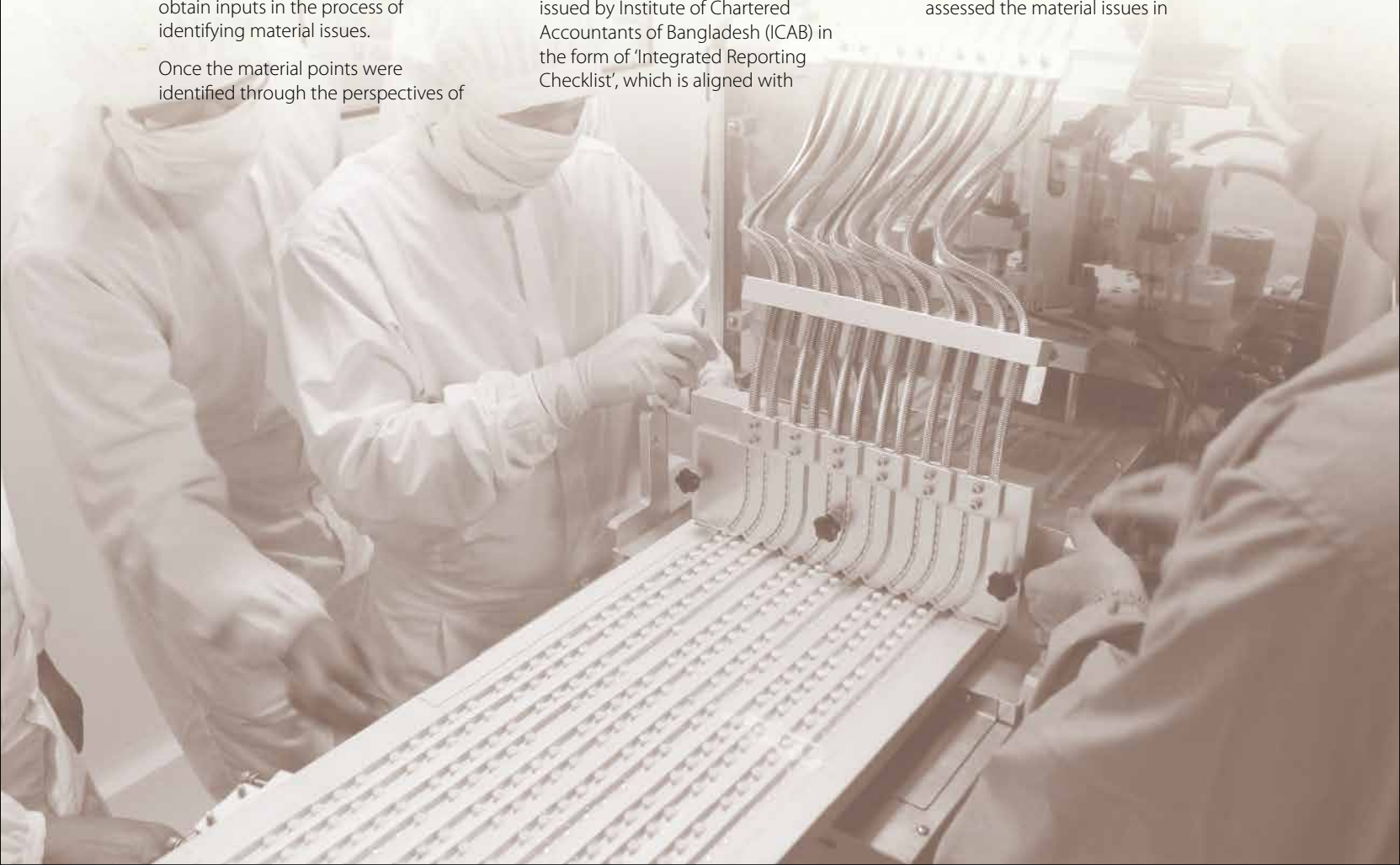
Reporting Considerations

We have prepared this year's Integrated Annual Report by identifying the material issues as per the guidelines issued by Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is aligned with

International <IR> Framework issued by the International Integrated Reporting Council (IIRC). IASs and IFRSs have been applied as the financial reporting boundary for preparation of the financial report including the transactions and related events of the company, its two subsidiaries named 'Orion Power Meghnaghat Limited' & 'Dutch Bangla Power & Associates Limited' and one associate named 'Orion Infusion Limited'. Furthermore, the risks, opportunities and outcomes have been taken into account if they have material impact on the company's ability to create value and also keeping in mind the relevance of those points for the decision-making of all the stakeholders.

Materiality Matrix

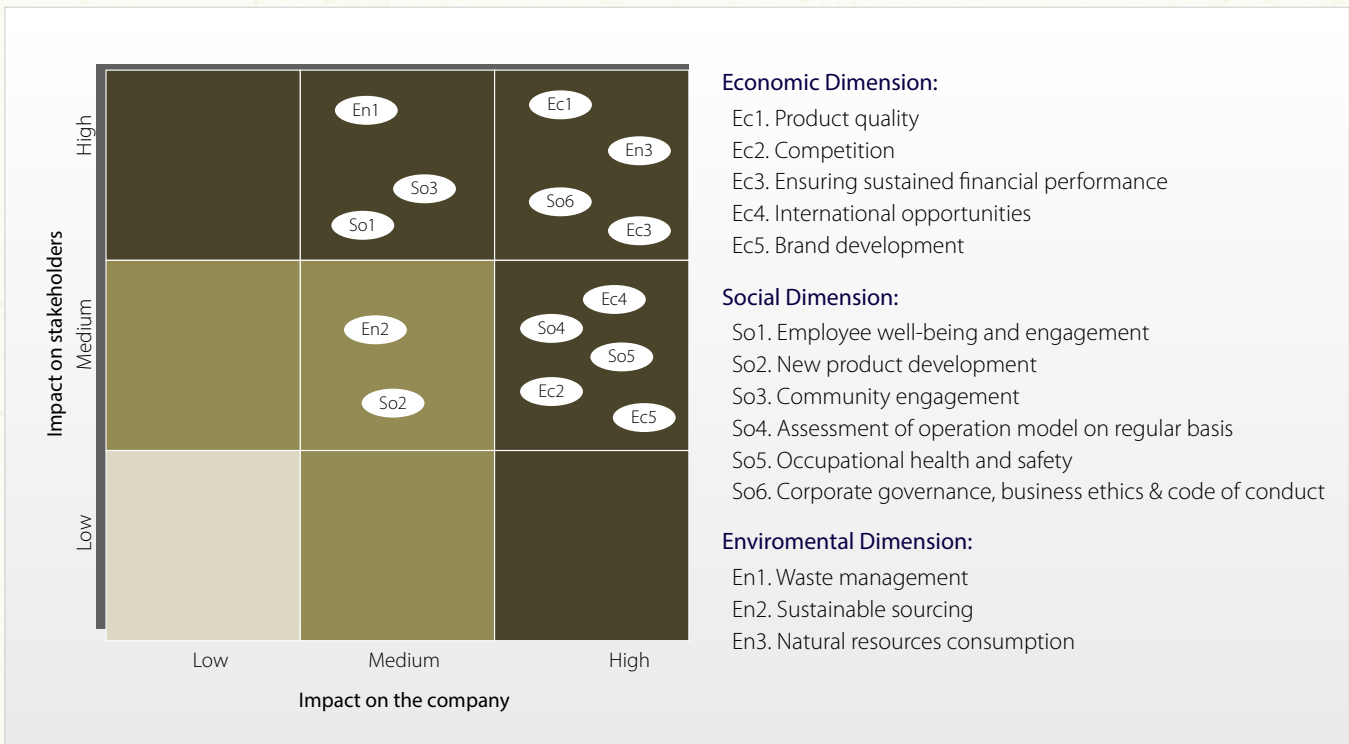
During the last financial year we have assessed the material issues in



consideration of the identified risks, opportunities and strategic objectives. Fourteen (14) material issues were identified in terms of three (3) dimensions; economic, social and environmental dimension; as the most relevant and we hope that this will

remain same for us for the years to come. However, their drivers and their relative importance may change in the future and the matrix composition will be updated accordingly. The materiality matrix has been designed in view of the identified matters' impact on the

company as well as on potential stakeholders.



Our Material Issues

Here is a brief description of the material affairs, their links to risks or opportunities or strategic objectives, the explanations behind assessing the factors as material and identification of the stakeholders on whom the issues have significant impact.

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
Economic Dimension					
Ec1: Product quality					
	<p>Inside company: Quality helps to obtain customer satisfaction and loyalty, and it ultimately contributes in long term profitability.</p> <p>Outside company: It is directly related to public's health issues.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Product quality risk • Stakeholder relationship risk <p>Opportunity:</p> <ul style="list-style-type: none"> • Pharma park <p>Strategy:</p> <ul style="list-style-type: none"> • Provide quality products to promote brands • Maintain quality products to retain loyalty • Respond to customers within a reasonable time 	<p>Financial capital</p>  <p>Social and relationship capital</p> 	<ul style="list-style-type: none"> • Customer • Consumer • Government and regulatory authorities 	53, 54, 86, 89, 165 167, 171, 172
Ec2: Competition					
	<p>Inside company: Competition helps to focus on key customers but due to severe competition initial target cannot be achieved easily.</p> <p>Outside company: Top company's medicines are preferred by society.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Market demand and competition risk • Corporate reputation risk <p>Opportunity:</p> <ul style="list-style-type: none"> • High growth rate of Bangladesh pharmaceutical industry with lot of potentials • Increasing demand for quality drugs and medicines • Growing emergence of Chronic diseases <p>Strategy:</p> <ul style="list-style-type: none"> • Play by our competitive edge • Prioritize customers 	<p>Financial capital</p>  <p>Social and relationship capital</p> 	<ul style="list-style-type: none"> • Shareholders • Financial institutions • Customer 	53, 169, 172
Ec3. Ensuring sustained financial performance					
	<p>Inside company: Sustained financial performance helps to reward investors & creates scope for growth.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Liquidity crisis • Financial issues • Credit risk • Interest rate risk • Exchange rate risk • Value of investment • Interest in subsidiaries 	<p>Financial capital</p> 	<ul style="list-style-type: none"> • Shareholders • Financial institutions • Suppliers 	53, 55, 56, 57, 79-80, 167-168

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
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Outside company:
Shareholders, lenders and suppliers get assurance of their return or payment.


Strategy:

- Uphold diverse funding sources
- Positive Cash Flow
- Maintain the best possible Working Capital



Ec4. International opportunities				
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<p>Inside company: As the local market is saturated, seeking international opportunities has become very important for the business.</p> <p>Outside company: Entering new market results in business expansion thereby creating employment opportunity.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Market demand and competition risk <p>Opportunity:</p> <ul style="list-style-type: none"> • Commencement of production in Pharma Park will help to grab more markets overseas • Grant an exemption from obligations to implement patents & data protection for pharmaceutical products until 2033 <p>Strategy:</p> <ul style="list-style-type: none"> • Perform due diligence before expansion of business overseas • Continuous development of expansion strategies & research the market • Expansion in more emerging and regulated markets 	<p>Financial capital</p> 	<ul style="list-style-type: none"> • Shareholders • Financial institutions • Analysts • Media 	53, 154, 166- 167
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Ec5: Brand development				
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<p>Inside company: Brand development is a critical investment in the business's future success, because it is what comes into the mind of people when they hear the name of Orion.</p> <p>Outside company: Brand image helps the society to perceive about the company & its activities.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Market demand and competition risk • Corporate reputation risk <p>Strategy:</p> <ul style="list-style-type: none"> • Provide quality products to promote brand • Invest in brand promotion both in local & overseas market • Extensive promotion of new brands 	<p>Financial capital</p> 	<ul style="list-style-type: none"> • Customers • Consumers • Shareholders 	53, 83-84, 165
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Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
SOCIAL DIMENSION					
So1. Employee well-being and engagement					
	<p>Inside company: Employee well-being and engagement helps to enhance productivity and motivation.</p> <p>Outside company: It creates a positive image regarding our organizational culture in the society.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • People and talent • Health and safety <p>Strategy:</p> <ul style="list-style-type: none"> • Offer attractive remuneration and benefits packages • Develop skills through training & development 	<p>Human capital</p>  <p>Social and relationship capital</p> 	<ul style="list-style-type: none"> • Employees • Trade union 	52, 54, 95-106, 115-125, 139-140, 170
So2. New product development					
	<p>Inside company: New product development helps to cater to changing market demand patterns & to remain competitive.</p> <p>Outside company: Society gets benefitted from the availability of new medicines for new emerging diseases.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Market demand and competition risk <p>Strategy:</p> <ul style="list-style-type: none"> • Assess both the opportunity & risk of new product development • Analyze whether the resources are available to develop new products or modify existing one 	<p>Intellectual capital</p>  <p>Manufactured capital</p> 	<ul style="list-style-type: none"> • Customers • Consumers 	81-85, 166-167
So3. Community engagement					
	<p>Inside company: Community engagement is essential to build a business as we have a responsibility towards the welfare of the community.</p> <p>Outside company: Contribution from our part to society ultimately lowers the burden of Government and develops the society.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Stakeholder relationship • Corporate reputation risk <p>Strategy:</p> <ul style="list-style-type: none"> • Quarterly review of CSR Program and Budget Allocation 	<p>Social and relationship capital</p> 	<ul style="list-style-type: none"> • Communities • Media 	54-55, 107-128, 139 -140, 170

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
So4. Assessment of operation model on regular basis					
	<p>Inside company: Continuous review of operations helps to identify bottlenecks and improve the production facility.</p> <p>Outside company: The society will have confidence on the quality of the products.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Supply disruption <p>Strategy:</p> <ul style="list-style-type: none"> • Continuous review of operations 	<p>Manufactured capital</p> 	<ul style="list-style-type: none"> • Shareholders • Suppliers • Customer 	53, 139, 144, 168
So5. Occupational health and safety					
	<p>Inside company: Occupational health and safety is material to us because Orion believes in fostering a safe working environment for our personnel.</p> <p>Outside company: The Government and regulatory authorities will be ensured that we are complying with safety measures.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • People and talent • Health and safety <p>Strategy:</p> <ul style="list-style-type: none"> • Offer attractive remuneration and benefits packages 	<p>Human capital</p> 	<ul style="list-style-type: none"> • Employees • Trade union 	54, 89, 93, 139-140, 170
So6. Corporate governance, business ethics and code of conduct					
	<p>Inside company: Effective corporate governance, proper business ethics & well code of conduct helps to attain sustainability & ensure investment opportunities, by ensuring a healthy transparent business stature.</p> <p>Outside company: Complying with these issues are the main factors considered to judge us by the society.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Stakeholder relationship • Compliance issues • Corporate reputation risk 	<p>Social and relationship capital</p> 	<ul style="list-style-type: none"> • Shareholders • Financial institutions • Analysts • Government and regulatory authorities • Media 	33-75

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
ENVIRONMENTAL DIMENSION					
En1. Waste management					
	<p>Inside company: We have a responsibility towards the environment because we believe in 'producer responsibility'.</p> <p>Outside company: The society is concerned on these issues whether we are creating any negative impact on environment.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Environmental consideration <p>Strategy:</p> <ul style="list-style-type: none"> • Implement environment-friendly production plan 	<p>Natural capital</p> 	<ul style="list-style-type: none"> • Government & regulatory authorities • Employees • Communities 	55-56, 129-131, 169
En2. Sustainable sourcing					
	<p>Inside company: It is important to purchase good quality raw materials that have no adverse effect on the environment and are eco-friendly.</p> <p>Outside company: Pharmaceutical regulatory bodies are concerned on what we are sourcing and using.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Supply disruption • Exchange rate risk 	<p>Natural capital</p> 	<ul style="list-style-type: none"> • Government & regulatory authorities • Suppliers and contractors 	53, 57
En3. Natural resources consumption					
	<p>Inside company: Orion has a commitment to continue its eco-friendly practices. The company also believes in conserving water & controlling dust.</p> <p>Outside company: Social activists as well as Government are always concern on this issues whether we are creating any negative impact on environment.</p>	<p>Risk:</p> <ul style="list-style-type: none"> • Environmental consideration <p>Strategy:</p> <ul style="list-style-type: none"> • Adopt extra initiatives in the new Pharma Park • Maintain conservation of resources 	<p>Natural capital</p> 	<ul style="list-style-type: none"> • Government & regulatory authorities • Communities 	55-56, 150

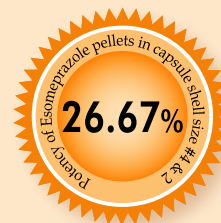


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In Search of Excellence

CORPORATE PROFILE OF
Orion Group

Taking our
NATION a step
towards
TOMORROW

Orion
House

ORION

ORION GROUP is a leading and continuously thriving corporation and a legendary brand name in the business arena of Bangladesh and beyond. Orion has a long history of determination, commitment towards excellence, integrity, and a firm promise to deliver value to its consumers and clients since early '80s.

Orion Group is endowed with a highly diversified portfolio of Pharma & Healthcare, Power Generation & Energy, Shipping, Infrastructure Development, Real Estate & Construction, Cosmetics & Toiletries, High-tech Agro Products, Consumer Products, Food & Restaurant Chain, Textiles & Garments, Home Appliance sectors and so on. Orion in recent times has exclusively focused in Power Generation & Energy, Consumer Products and Infrastructure Development sectors. Going further to Orion's continuous success, Orion is now on the verge of exploring and developing the untapped Hospitality & Tourism sector of Bangladesh through its commitment in implementing the largest Tourism Resort and Entertainment Village in South Asia, located along the mesmerizing coastline of world's longest Sea Beach Cox's Bazar.

One of another most recent and prospective concerns of Orion Group is Orion Tea Company Limited (OTCL). It started its operation in June 2017 and is now running full-fledged business operation, expanding its distribution channel throughout the country with the help of more than seven hundred (700) field forces. OTCL is enhancing its operation by marketing of Black Tea under the brand name "Jafflong Tea". By manufacturing high quality tea, the company has already been able to make a significant position in the local market with a confidence to equally compete with the other widely known tea brands. OTCL is confident about making this company one of the most profitable concerns of Orion Group as

well as the most prominent tea brand of the country.

Orion also inaugurated its new Liquefied Petroleum Gas (LPG) Bottling Plant in February 2018 in Mongla, Khulna. The new venture, Orion Gas Limited (OGL) has made a remarkable step to plug the gap of fuel supply to countrywide households.

Orion has been an integral part in the steady economic growth and significantly increasing socio-economic development of Bangladesh in the past two decades through its contribution in the Trade & Commerce sector of Bangladesh, one of the Next-11 countries possessing high potential for economic growth as analyzed by Goldman Sachs.

The new ventures, Orion Tea Company Limited and Orion Gas Limited, have been formed keeping in mind the changing needs of the society. OTCL aims to establish itself as a prominent tea brand in Bangladesh and OGL commits to make a role-play with a single focus on delivering reliable and affordable LPG, as alternative of natural gas, to the households and industries across the country and also in line with the footstep of Vision-2021 of the government.

Orion Group took a big step towards the development of sports sector in Bangladesh. Orion will implement at its own cost, the country's first International Roller Skating Stadium at Bhaluka, Mymensingh. This was declared at an auspicious program in January 2018. The program followed the inauguration of the construction work of 'Orion International Roller Skating Stadium' on a ten (10) acre land at Bhaluka owned by Orion. Orion Group appreciates the fact that Bangladesh will take part in and will strive to secure a winning position in Olympic 2020 in Japan. Orion and Bangladesh Roller Skating Federation together have committed to this vision. In this regard, Orion will groom up a strong Roller Skating team on the 'Banked Track' which will be the first of its kind in Bangladesh. The Group desires to achieve a successful remark in the international ground and brighten the name of the country.

Orion has long since been consistently successful in all its major investment undertakings so far and significantly contributed to the country's business environment, growth and stability through its adoption of appropriate business to business, business to government and business to consumers strategies and made an astonishing effort with a desire for excellence and creating value, be it introducing a new brand for consumers or forging a promising public private partnership with the Government of Bangladesh. Being a growth and development-oriented business entity, Orion never stepped back to forge partnership with the Government, Transnational Corporations and to involve foreign technological expertise in its multifaceted ventures as and when required.




Orion Group has recently developed its new vision in line with its diverse portfolios and to put footprint in global corporate platform. The Group has become more diversified followed by huge expansion in different business sectors thus its existence in the corporate world has significant impacts on the society which they can utilize to create positive changes in the economy as a whole.

Also in this era of globalization, the workforce has become more diversified with wide range of knowledge, skills & expertise and Orion believes that with the changing pattern of human resource management and its global impact, emphasis on human resource is an integral part to the Group's success in long run for which reason the new vision for Orion Group is adopted to align with the current globalization trend. Moreover, Orion Group is concentrating more on its Human Resource as it believes that it can bring transformation in the society by utilizing the potentials & creativity and nurturing the skills of the Group's human resource through promoting team work & integrity and providing them the platform for social development.

VISION

To transform communities by blending the mix of integrity, team work and creativity of our people.



In respect to the mission of Orion Group, it has kept it all the same but made a change in the chronological order and rearranged them according to their priorities.

MISSION

- Exceeding customer satisfaction and granting trust through quality services
- Assuring quality products from advanced manufacturing facilities
- Introducing new and innovative products and technologies
- Continuous development of people competency
- Recognizing individual contribution

VALUES

- Quality in everything we do
- Transparent and fair in all our dealings
- Take initiative to exceed standards
- Trust and respect for each other
- Work as a team
- Share social responsibility

ABOUT STRATEGIC BUSINESS UNITS



Pharma & Healthcare

 ORION Pharma Ltd. <i>In Search of Excellence</i>	 ORION Infusion Ltd. <i>In Search of Excellence</i>	 ORION RENAL & GENERAL HOSPITAL
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Power & Energy

 Orion Power Meghnaghat Ltd.	 Dutch-Bangla Power & Associates Ltd.	 Digital Power & Associates Ltd.	 Orion Power Dhaka Ltd.	 Orion Power Unit-2 Dhaka Ltd.
 Orion Power Rupsha Ltd.	 Orion Power Sonargaon Ltd.	 Orion Gas Ltd.	 Orion Oil & Shipping Ltd.	

Infrastructure Development

 Orion Infrastructure Ltd.	 Orion Infrastructure Development Company Ltd.
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Agro & Consumer Products

 Orion Tea Company Ltd.	 Panbo Bangla Mushroom Ltd.	 জাফলং টা JAFFLONG TEA Jafflong Tea Company Ltd.	 Nookhaji Gold Foods Ltd.	 Pristine Consumer Products Ltd.
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Hospitality & Tourism

 Orion Tourism & Entertainment Ltd.
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Cosmetics & Toiletries



Kohinoor Chemical Company (Bangladesh) Ltd.

Footwear & Footcare



Orion Footwear Ltd.

Home Appliances



Orion Home Appliances Ltd.

Real Estate



City Centre



Orion Properties Ltd.

Food & Beverage



Orion Restaurants Ltd.



Textiles & Garments



Orion Knit Textiles Ltd.

ABOUT MILESTONE PROJECTS

The LONGEST flyover

The 11.8 km long “Mayor Mohammad Hanif Flyover” is the longest flyover and the first PPP project in the country on BOOT basis. This revolutionary and capital intensive project has been operational for traffic since October 2013. It has been cited with commendation as a reference project in the annual study paper of Asian Public Governance (APG) Forum on Public Private Partnership (PPP) & International Public Procurement Forum in 2016 conference titled “Ensuring Successful PPPs for Asia’s Development: Governance and Law.”



The FASTEST HFO power plants

Two (2) 100 MW each HFO based power plants - Dutch Bangla Power & Associates Limited and Orion Power Meghnaghat Limited at Siddhirganj and Meghnaghat, Narayanganj, respectively were completed in a record time of just nine (9) months. The plants have been distributing electricity to the national grid on regular basis since 2011 and the contract with BPDB to sell electricity was renewed for five (5) more years till 2021.

The TALLEST building

The 37-storied “City Centre”; the tallest building in the country, is a commercial complex cum multistoried car parking at Motijheel, Dhaka. The landmark building is equipped with the most modern firefighting equipment, automated car parking system, earthquake protection system, and necessary amenities to re-define the working space.





The BIGGEST Pharma Park

Orion Group is implementing one of the biggest Pharma Parks of the country and so far the finest and most comprehensive pharmaceutical plant at Siddhirganj, Narayanganj where a complete array of pharmaceutical facilities and solutions will be incorporated within single complex. This unique establishment has been designed to follow all latest global standards like USFDA, UK MHRA, Health Canada, and Australian TGA. In addition to conventional pharma products, the new plant will also incorporate state of the art technologies to manufacture cephalosporin, biotech products, oncology, hormones drugs among others.

The LARGEST coal based power plant

Orion Power Dhaka Limited (OPDL) is the largest single unit coal based Ultra Super-Critical power plant in Bangladesh being implemented in Gozaria, Munshiganj under IPP basis with a net capacity of 630 MW (Gross 700 MW). Orion Group has adopted "Clean Coal Technology", a collection of technologies including Flue Gas Desulphurization which has been developed to mitigate the environmental impacts and ensure zero emission to the atmosphere. Similar to OPDL, Orion Power Unit -2 Dhaka Limited is also one of the largest IPP based single unit coal based Ultra Super-Critical power plants being implemented in Gozaria, Munshiganj with a net capacity of 635 MW (Gross 700 MW).



The BIGGEST mushroom plant

Panbo Bangla Mushroom Limited is a 100% export-oriented prudent venture of Orion Group and carries out growing, processing and marketing of cultivated mushrooms. The health conscious segment of the world population has started considering mushroom as one of their regular diets. The key advantage which would help to thrive in an export-oriented mushroom industry in Bangladesh is significant low labour cost. Panbo's production of Baby Button Mushroom (White Button Mushroom or Agaricus Bisporus) coupled with a rapidly growing global demand would create a unique opportunity to step in the very prospective global agro industry.



The LARGEST tourism complex

Orion has been awarded to implement the first ever PPP Project in Tourism & Hospitality Sector of Bangladesh, "Development of Tourism Resort and Entertainment Village" at Parjatan Holiday Complex, Cox's Bazar. The concept design has been executed by Forrec Ltd. of Canada. The entertainment village would be first of its kind in the country. This mega project incorporates multiple resorts (five-star and four-star) with diverse amenities encompassing villa resort, spa hotel, water sports, water taxis, health & fitness center, multiple sports facility, multiplex movie theatre, cultural show, food, beverage and retail, cultural walk promenade and a world class full-fledged Theme Park with twenty nine (29) water and ground based rides and entertainment activities. This Project would be the most giant leap forward in the tourism of Bangladesh for domestic and international tourists.

OUTLINE OF ORION PHARMA LTD.

Orion Pharma Limited (OPL) was formed as a pharmaceutical manufacturing company in 1965. With the mission to serve the ailing humanity around the globe, Orion Pharma started its operation nearly five (5) decades ago, and after a great run of success the company today has proliferated out into one of the leading pharmaceutical companies in Bangladesh. The company has its name listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) from the year 2013. OPL also owns 21.76% shares of another concern of Orion Group named Orion Infusion Limited (OIL) which is known for producing Large Volume Parenteral (LVP) & other life saving injectable products. OIL is also listed in DSE from the year 1994 and in CSE from the year 1996.

With the number of pharmaceutical giants increasing spontaneously in our country, competition within the industry is fierce. OPL believes in exceeding boundaries to deliver life changing results. OPL is a healthcare company dedicated in contribution to the improvement of human health by producing world class general medicines of supreme quality and distributing them globally. The company always believes in 'Quality never ends' and refuses to settle for anything until it exceeds the existing standard.

The company comprises of the production of capsules, tablets, syrup, suspension, injection, dry powder for syrup / suspension under different classifications like anticancer, cardiovascular, antibiotics, anti-diabetics, anxiolytics and others.

With growing markets and an increasing reach, this pharmaceutical powerhouse is operating with one hundred & twenty (120) brands and two hundred & thirty one (231) presentations with the anticipation of rapid growth and innovation in the years to come by staying compliant with the ISO-9001:2015 guidelines and Good Manufacturing Practices (GMP).

The new pharmaceutical manufacturing plant of Orion Pharma Limited named as Pharma Park is located in Siddhirganj, Narayanganj, by the bank of river Shitalakshya. The plant is well designed and well equipped with all latest facilities and state-of-the-art technologies and contains facilities with the imported equipments like ETP, Air Compressor, Chiller, WTP, dust collector and many more with the aim to expand and upgrade the current quality & quantity of production.



More information about the plant is discussed elaborately in the Strategic Report in page 175-176

120 no. of Brands

231 no. of Presentations

36 no. of Therapeutic Classes

183 no. of Generics

CORPORATE INFORMATION

Legal Form	Incorporated as a Private Limited Company on June 21, 1965; converted into a Public Limited Company on June 24, 2010 under the Companies Act, 1994		
Listing Status	Listed with Dhaka Stock Exchange and Chittagong Stock Exchange	Company Website	www.orionpharmabd.com www.orion-group.net
Authorized Capital	BDT 5,000,000,000	Board of Directors	Mr. Mohammad Obaidul Karim Mr. Salman Obaidul Karim Mrs. Arzuda Karim Mrs. Zareen Karim Mrs. Hasina Begum Mr. Md. Shafiqur Rahman Lt. Col. Kamal Ahmed, PSC (Retd.)
Paid-up Capital	BDT 2,340,000,000	Audit Committee	Mr. Md. Shafiqur Rahman Lt. Col. Kamal Ahmed, PSC (Retd.) Mrs. Zareen Karim
No. of Shareholders	34,515	Risk Management Committee	Lt. Col. Kamal Ahmed PSC (Retd.) Mrs. Arzuda Karim Mr. Salman Obaidul Karim
No. of Employees	2,527	Nomination and Remuneration Committee	Mr. Md. Shafiqur Rahman Lt. Col. Kamal Ahmed, PSC (Retd.) Mrs. Zareen Karim
Registered Office	ORION HOUSE 153-154, Tejgaon Industrial Area, Dhaka-1208, Bangladesh Tel: +88 02 8870133 Fax: +88 02 8870130		
Factory Address	Sumilpara, Siddhirganj Narayanganj, Bangladesh		
Company E-mail	orion@orion-group.net orion.share@orion-group.net		

Company Secretary Mr. Md. Ferdous Jaman

Chief Financial Officer Mr. Samaresh Banik

Head of Internal Audit & Compliance Mr. Md. Ibrahim Khalil

Statutory Auditors M/S. Ahmad & Akhtar
Chartered Accountants
BCIC Bhaban (3rd Floor),
30-31, Dilkusha C/A,
Dhaka, Bangladesh

**Corporate Governance
Compliance Auditor** ARTISAN
Chartered Accountants
BSEC Bhaban (Level -10),
102, Kazi Nazrul Islam Avenue,
Kawran Bazar, Dhaka-1215,
Bangladesh

Bankers

Agrani Bank Limited
Sonali Bank Limited
Rupali Bank Limited
National Bank Limited
Social Islami Bank Limited
Bank Asia Limited
Premier Bank Limited
City Bank Limited
AB Bank Limited

Insurers

Islami Commercial Insurance Co. Limited
Phoenix Insurance Company Limited
Green Delta Insurance Co. Limited

Subsidiaries

Orion Power Meghnaghat Limited
Dutch Bangla Power & Associates Limited

Associate

Orion Infusion Limited

OUR CORE VALUES



We act with integrity, honesty and transparency

Integrity



We are committed to the excellence of the quality of our products

Quality



We treat each other with respect and uphold the dignity of people

Respect



We value, develop, encourage and motivate every member of our company

People

Safety

We value safety to be the utmost priority in all our decision making process and activities



Teamwork

We encourage and nurture the culture of teamwork



Community

We collaborate to strengthen the communities in which we operate



Sustainability

We believe in sustainable business from economic, environment and social aspects



BOARD OF DIRECTORS



Chairman

Mr. Mohammad Obaidul Karim

Managing Director

Mr. Salman Obaidul Karim

Directors

Mrs. Arzuda Karim
Mrs. Zareen Karim
Mrs. Hasina Begum

Independent Directors

Mr. Md. Shafiqur Rahman
Lt. Col. Kamal Ahmed, PSC (Retd.)



Mohammad Obaidul Karim is a distinguished self-achieved industrialist & businessman. He is the Founder Chairman of ORION GROUP and established the group into one of the largest conglomerates in Bangladesh with his futuristic attitude, determined will and a burning passion. He is an innovative, self-motivated and enterprising Bangladeshi business icon who has instrumented his success in the field of diversified business portfolios. Orion Group comprising of more than fifty (50) individual companies was formed under his dynamic leadership and management power which have received various industrial recognitions.

Mr. Karim's business career started with the formation of his first pharmaceutical company named Orion Laboratories Limited, which is now known as Orion Pharma Limited. Mr. Karim turned the company into one of the most successful businesses of the country. Inspired by the success of this company, Mr. Karim, founded another company in the same business sector named Orion Infusion Limited.

Mr. Karim is one of the first entrepreneurs in the country to recognize the importance of Public Private Partnership (PPP). Under his leadership, Orion Group constructed and owns the 11.8 km long Mayor Mohammad Hanif Flyover, the longest flyover and the first ever successful PPP project of the nation. With Mr. Karim's headship, Orion Group also built City Centre, the tallest commercial complex cum car parking in Motijheel, the financial hub of Bangladesh. Mr. Karim's success went further up when the Group became successfully involved in Private Sector Power generation of the Country, when it signed the biggest contract with Bangladesh Power Development Board (BPDB) for four (4) supercritical Coal based power plants of 3000 MW under IPP (with 400 MW present distribution under HFO), under the Ministry of Power of the Government of Bangladesh.

Besides being the Chairman of Orion Group, Mr. Karim is also the Founder Chairman of Tejgaon Industrial Owners Association. He is also the President of Dhaka Mohammedan Sporting Club Ltd., a century old legendary and most successful sporting club of the country.

MR. MOHAMMAD OBAIDUL KARIM

Chairman

Age: 63
Re-appointed: December 14, 2017
Qualification: Graduate, University of Dhaka

Directorships:

Mr. Karim is the Chairman of Orion Pharma Limited, Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Power Rupsha Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Knit Textiles Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Capital Limited, Orion Natural Care Limited, Orion Restaurants Limited, Orion Tea Company Limited and Orion Tourism & Entertainment Limited.

Address:

House # 12, Block J, Road # 18, Banani, Dhaka-1213, Bangladesh



MR. SALMAN OBAIDUL KARIM

Managing Director & Chief Executive Officer

Age: 37
Appointed: September 10, 2014
Qualification: Graduated in Business & Computing Management, Brunel University, UK

Directorships:

Mr. Salman is the Managing Director of Orion Pharma Limited, Orion Infusion Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Power Rupsha Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, Orion Properties Limited, Orion Gas Limited, Orion Oil & Shipping Limited, Intergral Energy Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Knit Textiles Limited, Orion Footwear Limited, Jafflong Tea Co. Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Natural Care Limited, Orion Restaurants Limited, Orion Tea Company Limited and Orion Tourism & Entertainment Limited.

Membership: Risk Management Committee

Address:

House # 12, Block J, Road # 18, Banani, Dhaka-1213, Bangladesh

Salman Obaidul Karim is a distinguished and ingenious businessman in Bangladesh. Born in 1981 and being guided by his father Mr. Mohammad Obaidul Karim, Salman Karim has become one of the most young and successful entrepreneurs of the country and the core management team is being lead by this visionary, young and dynamic managing director of the Company. Under his leadership, Orion's sustainability efforts were given outstanding shapes through his unique business concepts and visionary leadership skills. Besides his graduation, he experienced a couple of professional trainings in the UK. After completing his study in the UK he came back to Bangladesh and joined the family business Orion Group. He has been involved with Orion Group and holds directorship of most of the sister concerns of the Group since 2005.

From the beginning of his tenure in Orion, Mr. Salman Karim proved his inherent talent for efficient management. He integrated versatile management system in the corporate culture of Orion Group bringing in a fresh perspective towards portfolio diversification. He helped the Group win some of the largest contracts in its history, to name a few Mayor Mohammad Hanif Flyover (Completed), City Center (Completed), 4x100 MW HFO fueled power generation projects (Completed), 4x680 MW Coal Fired Power generation Projects amounting to 2700 MW (Under Construction).

Mr. Salman's role has been instrumental in the Digitalization of the Group and introducing the latest technology in the work environment, which has smoothed the progress of the Group's journey towards success.



MRS. ARZUDA KARIM

Founder Director

Age: 62
Re-appointed: December 20, 2016
Qualification: Masters in Social Science,
 University of Dhaka

Directorships:

Mrs. Karim is the Chairman of Jafflong Tea Co. Limited and Intergral Energy Limited and also holds the Directorship of Orion Pharma Limited, Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Renal & General Hospital, Orion Hospitals Limited, Orion Holdings Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Natural Care Limited, Orion Tea Company Limited and Orion Tourism & Entertainment Limited.

Membership: Risk Management Committee

Address:
 House # 12, Block J, Road # 18, Banani, Dhaka-1213,
 Bangladesh

Arzuda Karim is the wife of Mr. Mohammad Obaidul Karim. She has been one of the most successful women entrepreneurs in Bangladesh over the years. Mrs. Karim supervises production and commercial divisions of different segments of Orion Group. Her skill, knowledge and adaptability in pharmaceutical production and commercial areas are one of the main reasons of success of this sector.

A distinguished and self-committed businesswoman, Mrs. Karim has been involved with Orion Group since its inception. Her hidden entrepreneurial potentials have gradually changed herself with the growing sensitivity to the role and economic status in the business society. While being a high achiever herself, Mrs. Karim is one of those rare people who combine exceptional professionalism with warmth and humility.

Besides holding directorship, Mrs. Karim is actively involved in various religious and philanthropic activities in the fields of education, human resources and disaster relief. Mrs. Karim is also involved with the Orion Renal and General Hospital, which provides partly free medication to the underprivileged of the country.

**MRS. ZAREEN KARIM****Director**

Age: 40
Re-appointed: December 14, 2017
Qualification: MBA in Marketing, North South University

Directorships:

Director of Orion Pharma Limited, Orion Infusion Limited and Orion Holdings Limited.

Membership: Audit Committee and Nomination & Remuneration Committee

Address:

House # 12, Block J, Road # 18, Banani, Dhaka-1213, Bangladesh

Zareen Karim is the daughter of Mr. Mohammad Obaidul Karim. She is one of the successful young entrepreneurs of the country and has been involved with different business activities since her early career. Besides being involved with Orion Group, Mrs. Zareen is also the Director of Star Associates Limited and Zeysa Fashionwear Limited.

Her entrepreneurial potentials have gradually changed herself with the growing sensitivity to the role and economic status in the business society. As 'Women Entrepreneur' she accepts challenging roles everyday and has proven her worth beyond any doubt.



MRS. HASINA BEGUM

Nominated Director

Age: 60
Re-appointed: December 20, 2016
Qualification: Graduate

Directorships:

She does not hold any other directorship of any other company except Orion Pharma Limited. She holds the position of the representative Director of Panbo Bangla Mushroom Limited in the Board of Orion Pharma Limited.

Address:

House # 46(3/D), Road # 10/A, Dhanmondi, Dhaka, Bangladesh

Hasina Begum is one of the successful women entrepreneurs in Bangladesh over the years. She started her business from scratch with her late husband and achieved an outstanding level of success in the Pharmaceutical industry. A distinguished and self-committed businessperson, Mrs. Hasina has been involved with the Orion Pharma Limited for a long time.

Beside her business areas, Mrs. Hasina Begum is a social entrepreneur which has given her an opportunity to grow and make a difference in the society in which she lives.



LT. COL. KAMAL AHMED, PSC (RETD.)

Independent Director

Age: 55
Re-appointed: December 14, 2017
Qualification: Bachelor of Science (University of Chittagong), Masters in Defense Weapon Systems (Poona University, India), MBA (Purdue University, USA)

Directorships:

He does not hold any other directorship of any other company except the Independent Directorship of Orion Pharma Limited.

Membership: Audit Committee, Nomination & Remuneration Committee and Risk Management Committee

Address:

House # 71, Road # 11/A, Dhanmondi, Dhaka, Bangladesh

Lt. Col. Kamal Ahmed, Psc (Retd.) is a former Chief of Overseas Deployment Desk of Army Headquarters of Bangladesh, with twenty one (21) years of experience in Bangladesh Army. During this period, he spent the last year as the Chief of Overseas Deployment Desk. Mr. Kamal Ahmed took different military trainings from China, Pakistan and India. He then spent one (1) year as the General Manager of Panna Textiles Mills Limited. He was also the Vice-Chairman of Milk Vita and CEO of GRH Bangladesh Ltd. He also acted as the Independent Director of Kohinoor Chemical Company (Bangladesh) Limited.



Md. Shafiqur Rahman joined the company in 2018 as an Independent Director. He brings with him over forty (40) years of experience in banking profession with expertise in Investment, Trade Finance, Branch In-Charge. Just before joining Orion, Mr. Rahman was an Advisor in Bangladesh Finance & Investment Company Limited (BD Finance Ltd.) and before that he was the Managing Director & CEO of Social Islami Bank Limited. His experience spans over more than four (4) decades of illustrious career in the banking sector. Mr. Shafiqur has undergone many national and international training sessions. Some of the significant trainings were 'International Trade Finance' conducted by BHF Bank in Germany, 'Trade Finance & Cash Management in North Asia' conducted by Standard Chartered Bank in Singapore, 'Correspondent Banking Workshop' conducted by Standard Chartered Bank in China, 'Client Services' conducted by Financial Institution Group, American Express Bank in U.S.A and many more. Needless to say that he has acquired significant experience in the banking sector working at various positions and carrying out various assignments, for which Orion is very hopeful that Mr. Md. Shafiqur Rahman's expertise will add values to the company's future plans.

MR. MD. SHAFIQR RAHMAN

Independent Director

Age: 66
Appointed: June 14, 2018
Qualification: M. Com in Accounting,
University of Dhaka

Directorships:

He does not hold any other directorship of any other company except the position of Independent Director of Orion Infusion Limited.

Membership: Audit Committee and Nomination & Remuneration Committee.

Address:

Century Tower, Flat # CTD-12, 119/1, Baro Maghbazar, Dhaka-1217.

MANAGEMENT TEAM

Members

Mr. Salman Obaidul Karim
(Managing Director / Chief Executive Officer)

Mr. Samaresh Banik
(Chief Financial Officer)

Mr. Md. Ibrahim Khalil
(Vice President - Internal Audit & Compliance)

Mr. Md. Arif Hossain
(Senior Vice President – Marketing Operations & Commercial)

Mr. Md. Faisal R Ferdous
(Vice President – Human Resource)

Mr. Md. Zakir Hossain
(Assistant Vice President – Production)

COMMITTEES OF BOARD

Audit Committee

1

Chairman

Mr. Md. Shafiqur Rahman, Independent Director

Members

Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director

Mrs. Zareen Karim, Non-executive Director

Nomination & Remuneration Committee

2

Chairman

Mr. Md. Shafiqur Rahman, Independent Director

Members

Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director

Mrs. Zareen Karim, Non-executive Director

Risk Management Committee

3

Chairman

Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director

Members

Mrs. Arzuda Karim, Non-executive Director

Mr. Salman Obaidul Karim, Managing Director

CORPORATE GOVERNANCE FOR STAKEHOLDERS

**Corporate Governance
is about balancing economic and social
agendas as well as harmonizing
individual and communal objectives**





An interactive session of the Board of Directors Of Orion Pharma Limited

At Orion Pharma Limited, we believe that in order to fulfill both long-term and short-term goals of the company, there is no alternative to the fair practice of corporate governance. Corporate governance is a vital tool that institutionalizes policies and practices in order to obtain sustainable success of the company. The Board of Directors lays out the code of conduct and corporate governance in our company. They ensure that the Code enforced by the Bangladesh Securities & Exchange Commission (BSEC) are followed in the company in order to maintain business integrity and continue performance on the right track.

The company embossed its preeminence in corporate governance by achieving the prestigious 2nd position for the "Best Presented Annual Report – 2016" by the Institute of Certified Chartered Accountants (ICAB) and winning the impressive 2nd Runner-up award for the "Best Presented Annual Report – 2016" by South Asian Federation of Accountants (SAFA).



Details about both these awards have been given in pages I-IV

This financial year Orion Pharma Limited has gone one extra mile by emphasizing more on corporate governance by forming two (2) new sub-committees under the authority of the Board of Directors. It can be mentioned here that, previously we had the Audit & Risk Management Committee to ensure transparency and fair-practices in business operations and the financial statements of OPL. However, from this year onwards the Board has decided to separate the existing Audit & Risk Management Committee in its Board meeting held on April 28, 2018 and introduce more committees in order to ensure good governance, the list of which is presented below:

- Audit Committee that will help the Board to ensure fairness of financial statements;
- Risk Management Committee that will assist in framing, implementing and

monitoring the risk management plan of OPL; and

- Nomination and Remuneration Committee that will assist in forming nomination and remuneration policies.

Governance practices and reporting framework

The laws, policies, rules and regulations adopted by Orion Pharma Limited for

applied or, if not applied, explained, these frameworks. The review of the corporate governance frameworks is done from time to time to assure that our applied governance structure is always consistent, relevant and effective in addressing upcoming business challenges, if any.

Strengthened Governance in 2017-18: Good corporate governance makes way for an effective and efficient operation of a company that helps to serve the interest of all relevant stakeholders.

maintaining sound corporate governance are outlined below:

- Bangladesh Securities and Exchange Commission's (BSEC) Notification on Corporate Governance;
- The Companies Act 1994;
- Listing requirement and regulations imposed by Dhaka Stock Exchange and Chittagong Stock Exchange;
- Laws of the Land;
- Company's internal standards of code of conducts, ethics and compliance;
- Company's risk management system;
- Company's different types of committee's terms of reference and their statements; and
- National and international best practices applicable as per the company's nature of business.

The above mentioned laws, policies, rules and regulations are the basis of the standards of disclosures and throughout the year the company has always been adherent to and

In addition to this, the senior management team, sub-committees of the Board with the direction of Board is always responsive to the regulatory requirements of different authorities which are consistently working on the certification, periodic reporting of respective issues and transparency issues. Here, the Board of Directors declares that OPL regularly submit accurate and periodic documents including financial statements to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, National Board of Revenue, Registrar of Joint Stock Companies & Firms and other relevant regulatory authorities.

Governance structure as per June 30, 2018

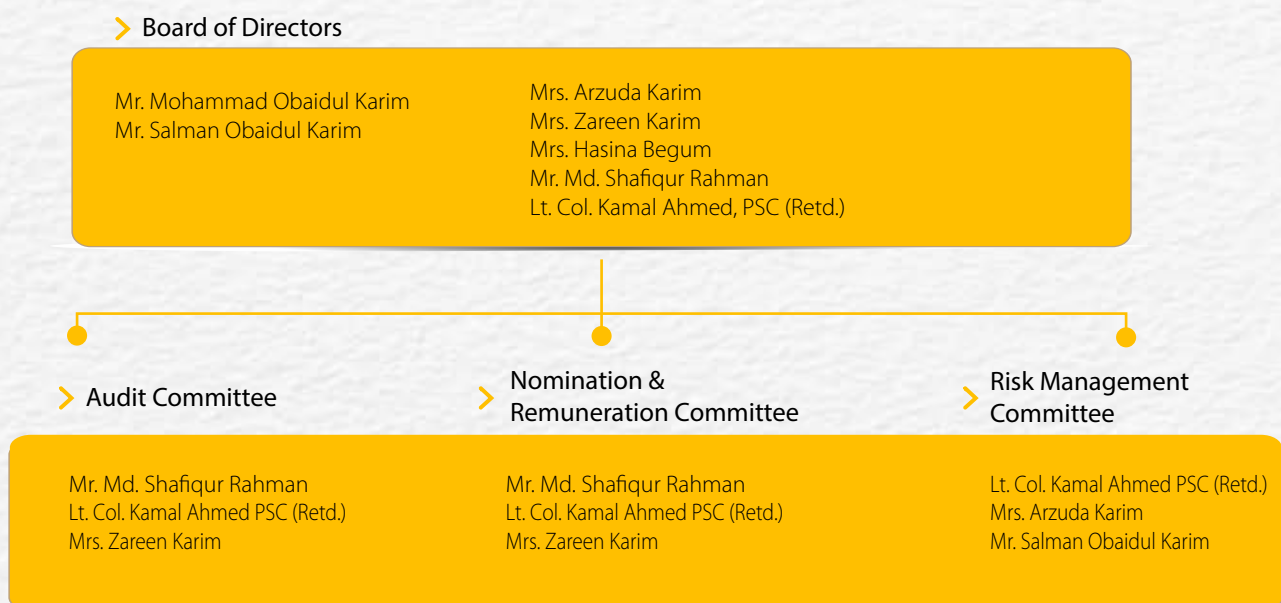
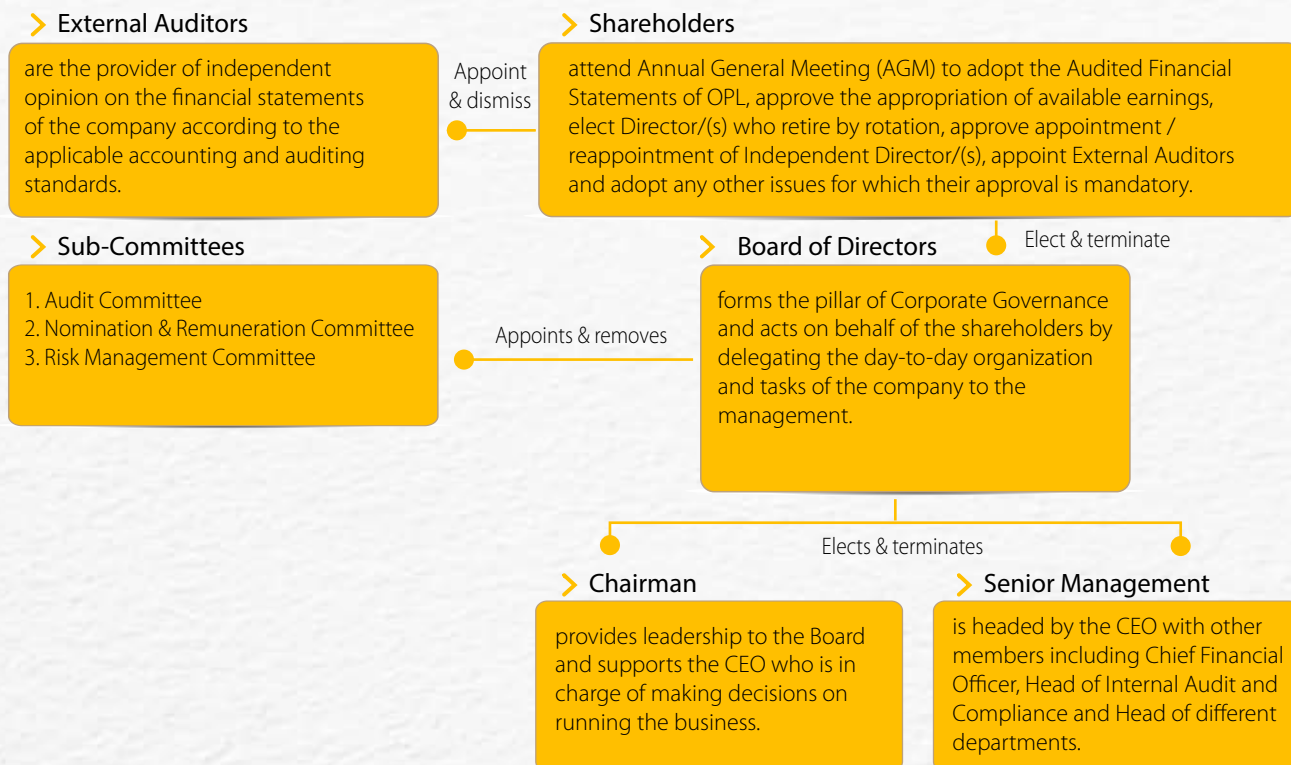


Figure: Corporate Governance Structure of Orion Pharma Ltd.

The governing Board

The highest degree of authority, control and leadership at Orion Pharma Limited is handed over to the Board of Directors. The Board of Directors lays out the code of conduct and corporate governance in our company. The Board acknowledges the importance of corporate governance for the accomplishment of sustainability in business. This group of professionals ensures that the company is going ahead in the right direction so that the value of all stakeholders is maximized and there is a positive impact of the entity's operations on the society as well as the environment.

The Board of Directors of OPL constitutes of different multidimensional individuals whose broad and diverse range of knowledge, experiences and competencies perfectly align with the context of our company as well as with the statutory requirements. The Board members have the right combination and balance of business, entrepreneurial, financial and technical skills that OPL considers as one of its greatest assets. In order to further ensure the independence of the Board, two qualified Independent Directors have also been included in this group of distinguished people.

The Board of Directors of OPL ensures that all business strategies are formulated and all operations are carried out according to the notifications and recommendations of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). The Board confirms that OPL adopts and applies the aforesaid Code and also the company's own policies and principles to deliver shareholders' value and to be transparent to all potential stakeholders.

Board composition and change during the financial year

The present Board of Orion Pharma Limited comprises of seven (7) Directors, including six (6) non-executive directors of whom two (2) are Independent Directors. There are three (3) female directors which brings variety in the Board. The combination of executive, non-executive and independent directors in the Board of OPL adheres to the Corporate Governance Code issued by the Bangladesh Securities & Exchange Commission (BSEC) and all the Board members possess appropriate backgrounds, diversified knowledge and professional experience in the fields of manufacturing, technology, finance, marketing and design.

During the reporting year, there is one change to the composition of the Board. On June 14, 2018 Mr. Golam Mohiuddin who held the office of ID for consecutive two terms (six years) has retired from the Board and was replaced by Mr. Md. Shafiqur Rahman, joined the Board on the same date as the Independent Director of the company.

The Board of OPL as on reporting date is as follows:

Sl. No.	Name	Status	Membership in committee
1	Mr. Mohammad Obaidul Karim	Chairman, Non-executive Director	-
2	Mr. Salman Obaidul Karim	Managing Director, Executive Director	Member - RMC*
3	Mrs. Arzuda Karim	Non-executive Director	Member - RMC
4	Mrs. Zareen Karim	Non-executive Director	Member - NRC*, AC*
5	Mrs. Hasina Begum	Non-executive Director	-
6	Mr. Md. Shafiqur Rahman	Independent Non-executive Director	Chairman - AC, NRC
7	Lt. Col. Kamal Ahmed, PSC (Retd.)	Independent Non-executive Director	Member - AC, NRC Chairman - RMC

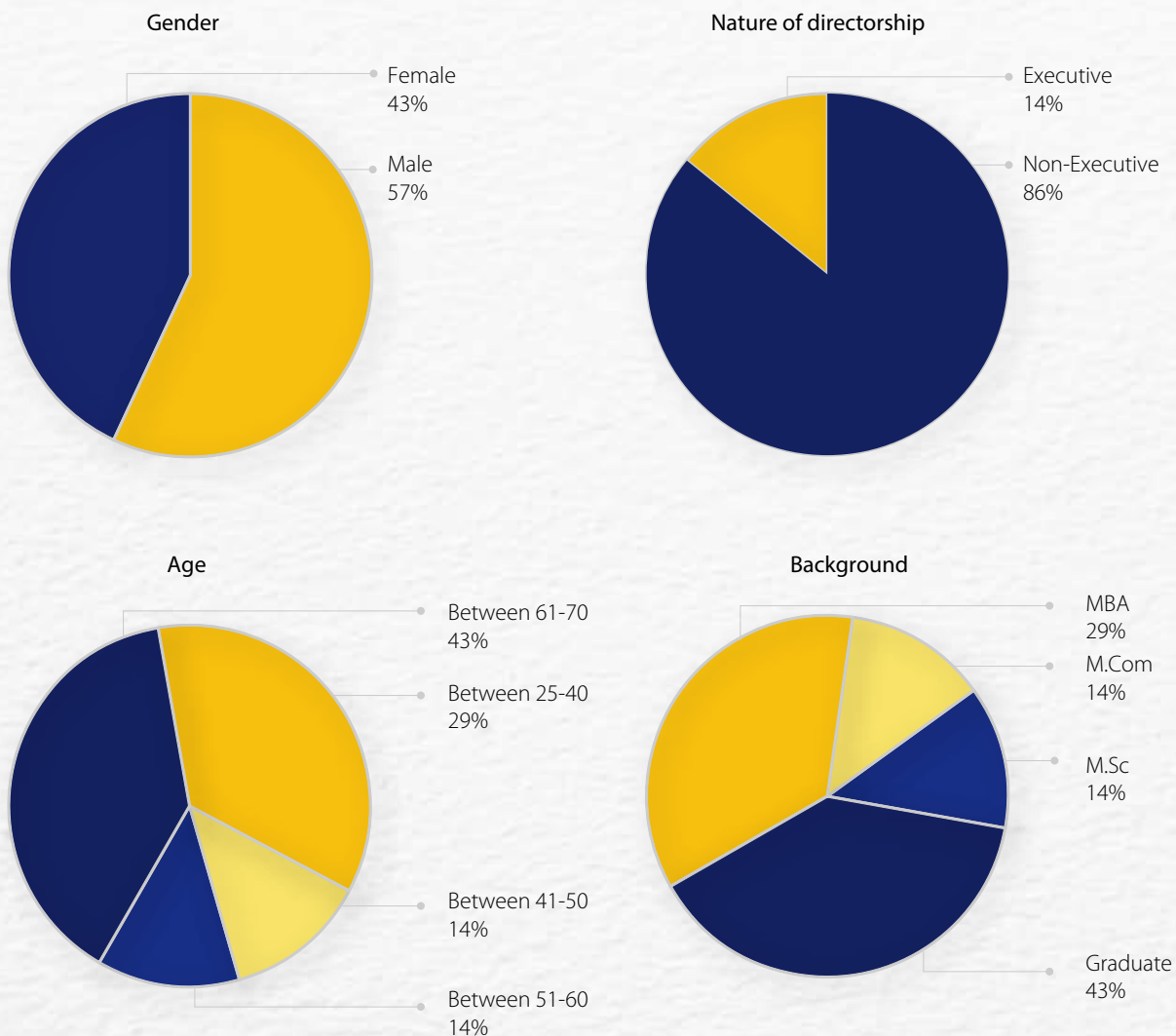
* RMC- Risk Management Committee, AC- Audit Committee,
NRC- Nomination and Remuneration Committee

In can be mentioned here that to conform with the conditions of Corporate Governance Code the Board has decided that the Directors, except the Managing Director, will not take any kind of financial or any other kinds of benefits from Orion Pharma Limited other than the Board meeting fee as per the Articles of Association of the Company and will act as the Non-executive Directors from onwards.

The major consideration that is undertaken while composing the Board is to have a proper balance and Broad range of educational background, professional experience, skills and knowledge of the members; in order to enhance the quality of their decisions and deliberations. The Board composition is reviewed on a regular basis to ensure that the combination of diversity is maintained and that the Board retains its effectiveness.

Board diversity

Diversifying the Board in terms of the inclusion of a wide variety of knowledge, skills and experiences in the Board brings new thinking, insights and perspectives and assists us to move towards the achievement of our long term goals. It is the responsibility of our newly formed Nomination and Remuneration Committee to identify Board member candidates, if required, to be proposed to and to get approved by the shareholders. Our existing Board is the combination of different personal characteristics including gender, age, background, experience, expertise and other technical and interpersonal skills.



Board charter

The Board of Orion Pharma Limited assumes supreme leadership, responsibility and control for the overall strategic direction of the company along with its operations and activities through appropriate delegation of authority to the management and decisions in subsidiaries. The main role of the Board is to direct the company towards its vision and supervise the management according to the strategies and decisions set by them which are made in the best interest of the stakeholders. At OPL, the Board delegates certain duties to the sub-committees, enabling them to work in an efficient manner and focus on

decision-making.

The Board at OPL is governed by a formal Board charter setting out its composition, processes and responsibilities. The main duties and responsibilities of the Board are to:

- Formulate corporate strategy, business policies along with major plans of action and monitor management in implementing these plans and strategies;
- Retain full and effective control of the company and take decisions concerning budgets, capital

budgeting, business plan and major capital expenditures of OPL;

- Identify and regularly monitor key risk areas, major performance indicators and performance objectives of the business;
- Endeavour that the company complies with relevant laws, regulations and codes of business practice and evaluate the effectiveness of the company's governance practices;
- Appoint the executive and non-executive directors, CEO and top executives of the company and also ensure their compensation, performance evaluation and proper

succession when required keeping in consideration the best interest of the company;

- Establish a formal and transparent procedure for appointment of the Board along with their orientation and assess the performance of the Board along with the effectiveness of its sub-committees;
- Ensure that the company regularly communicates with shareholders and relevant stakeholders openly and promptly, protecting the interest of minority shareholders;
- Review the company's integrated performance and ensure the integrity of the company's accounting and financial reporting system, including external audit; along with corresponding the financial results to the interested users;
- Monitor and manage potential conflicts of interest of management, Board members and shareholders; and
- Review the report provided by the sub-committees.

In order to fulfill their responsibilities, Directors always have unrestricted access to information including financial data, documents and records of the company.

Board meeting

The Board of Directors of OPL holds periodic meetings where they discuss about critical issues as per the set agendas; review sub-committee reports and takes appropriate decisions. These meetings provide an opportunity for both executive and non-executive directors of OPL to articulate ideas. The Board meetings occur regularly as per schedules but often the Board members also to meet to discuss and deal with urgent matters that require attention. Therefore, additional meetings are convened on an ad hoc basis. In this case reasonable notice period of such emergency meeting is given before holding the meeting and the agendas along with notes or working papers are circulated and sent to the members before the scheduled date of the meeting. On top of that the Board meetings were held Quarterly on a regular basis.

Orion Pharma Limited complies with the provision mentioned under Section 96 of the Companies Act 1994, which states that a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year. Adhere to this provision, the Board of OPL met six (6) times during the last financial year under review and all the Directors including both the Independent Directors were present in all meetings. The Managing Director, the Company Secretary and the Chief Financial Officer were also present in these Board meetings. In order to conform to the new Corporate Governance Code imposed by BSEC, the HIAC will also attend the Board meetings to be held in the next financial year 2018-19.



Details on Directors' attendance at Board meeting and the annual general meeting held during the financial year ended June 30, 2018 are disclosed on page 195

Board appointment, retirement and rotation

Orion Pharma Limited abides by all rules and regulations of different relevant regulatory authorities including BSEC notifications and Companies Act 1994 along with its own Articles of Associations, regarding the appointment, retirement and re-appointment of directors. There is not any separate policy regarding this issue except for the formation of very first Board.

When new directors come aboard at OPL they are provided with a formal orientation program, so that they can perform their roles in an efficient manner. New Board members are introduced to their basic roles and responsibilities and are also provided specific information about the company's mission, strategies, activities etc.

In terms of the Companies Act 1994, one third of the directors are required to retire by rotation at each year's AGM. Upon retirement the Directors may offer themselves for re-election by shareholders at the Annual General Meeting, if they are deemed to be eligible.

For the reporting financial year, Mrs. Arzuda Karim and Mrs. Hasina Begum, Directors of the company retire by rotation and also offer themselves for reappointment at the ensuing AGM.

As per BSEC notification, the term of an Independent Director is three years which may be prolonged for another three years. Also the post of Independent Director cannot remain vacant for more than ninety (90) days. However, the appointment / re-appointment of the Independent Director is subject to the approval by shareholders at the first AGM after their appointment following the recommendation from Board.

During the financial year under review, Mr. Golam Mohiuddin, Independent Director of the company has completed two (2) terms and henceforth requires to appoint new Independent Director, Mr. Md. Shafiqur Rahman, as his replacement which will be approved by the shareholders at the ensuing AGM.



Brief profiles of the directors are disclosed on page 25-30

Independent directors

The Board of Directors of OPL consists of two (2) qualified Independent Directors who ensure independence of the Board and also bring more competencies on the table. The Independent Directors are Non-executive Directors who have been appointed by the Board with the approval of the shareholders. At our company, both the Independent Directors have successfully established trusting relationships with the other Board members and provide adequate time to their responsibilities.

Separation of work for the Chairman and the Chief Executive Officer (CEO)

The main purposes of splitting the position and roles of the Chairman from that of the CEO are to strengthen the overall integrity of the company by means of avoiding the conflict of interest and to improve the ability of the Board of Directors to oversee management.

Mr. Mohammad Obaidul Karim has been acting as the Chairman of the Board and elected by the Board since September

10, 2014. He does not participate in the operational and regular affairs of the company. Mr. Salman Obaidul Karim has been the Executive Director and is also the Managing Director / Chief Executive Officer since September 10, 2014. He is responsible for all day to day management decisions and for the routine business operation of the company. They are collectively accountable for the leadership of the company and for exercising the highest standards of ethics, integrity and governance.

However, the management has taken permission from the Government (Ministry of Commerce) to appoint Mr. Salman Obaidul Karim as the common Group Managing Director.

The respective and distinctive roles and responsibilities of the Chairman and the Managing Director / Chief Executive Officer are clearly defined by the Board. The separation of both of these positions and roles & responsibilities meets the criteria of corporate governance code imposed by BSEC and also a balance of authority with regard to the Board's decision-making processes.

Roles and responsibilities of the Chairman include-

- Provides leadership to the Board and assesses whether the Board is functioning in accordance with the Memorandum and Articles of Association of the company and other applicable laws, rules and regulations;
- Fixes Board, committees and annual general shareholders meeting schedule including date, time and location of meetings and develops agendas in consultation with the CEO and the Company Secretary;
- Acts as Chair at meeting of Shareholders (AGM), meeting of Board of Directors and reviews and signs minutes of Board meeting;
- Promotes open discussion and constructive dialogue among the Directors inside or outside the Board meeting and between the Directors and the senior management team;
- Works with the CEO to ensure that Directors are properly informed and key issues are discussed by the Board in a

timely manner, so that the Board has adequate support and all required information to make necessary decisions;

- Provides supports, independent advice and counsel to the CEO;
- Represents the company as its figurehead to the relevant stakeholders;
- Acts as a direct liaison between the Board and the management of the company, through the CEO; and
- Reviews the Board's sub-committees performance to make sure that they work effectively.

Roles and responsibilities of the Chief Executive Officer include-

- Formulates and successfully implements company policy;
- Develops strategic operating plans that reflect the longer-term objectives and priorities established by the Board and also directs strategy towards the profitable growth and operation of the company;
- Maintains the operational performance of the company and closely monitors the operating and financial results against plans and budgets;
- Represents the company to major stakeholders;
- Builds and maintains an effective management team;
- Assesses the principal risks of the company and to ensure that these risks are being monitored and managed;
- Ensures effective internal controls and management information systems are in place;
- Ensures that the company maintains high standards of corporate citizenship and social responsibility wherever it does business; and
- Keeps the management and the Board informed about all material activities of the company and all material external factors affecting the company.

Chief Financial Officer (CFO)

The name of the Chief Financial Officer of the company is Mr. Samaresh Banik. He is the Senior Vice President and also the

Head of Finance & Accounts of the company. As one of the key members of senior management team, he reports to the CEO and has a strategic role in the overall management of the company. He has been serving as a credible, knowledgeable and trusted resource to the CEO. The primary responsibilities of the CFO are planning, implementing, managing and running of all the finance activities of a company, including business planning, budgeting, forecasting, negotiating and maintaining investor relations. The CFO together with the CEO/MD reviews and certifies on the financial statements to the Board.

In Compliance with the new Corporate Governance Code, Mr. Samaresh Banik cannot hold any executive position in any other company at the same time. As of now, Mr. Banik is also acting as the Chief Financial Officer of Orion Infusion Limited because these two (2) companies including OPL are operating under the banner of Orion Group. However, the Board of Orion Infusion Limited has decided to appoint different individual for the position of the Chief Financial Officer within December 31, 2018 as required by the Code.



CEO/MD and CFO certification on financial statements are disclosed on page 199

Major duties and responsibilities of the Company CFO are as follows-

- Responsible for directing finance and accounting team to carry on the financial functions of the company in accordance with the applicable rules and regulation;
- Works with management team on the strategic vision of the organization including cultivating and fostering strategic relationships and potential alliances;
- Responsible for oversight of financial internal controls and coordination of all financial audits;
- Collaborates with the CEO and other senior leaders on operational and strategic issues as they arise; provides strategic recommendations based on financial analysis and projections, and revenue/expense analysis;

- Oversees all financial transactions, including billing, finance, accounting and reporting; and prepares and communicates monthly, quarterly, half yearly and annual financial statements;
- Develops and supervises the budget or financial forecasting for upcoming year considering the long-term budgetary planning and cost management in alignment with the strategic plan; and
- Develops and promotes a framework to drive financial acumen and accountability across the organization.

Company Secretary (CS)

The Company Secretary, Mr. Md. Ferdous Jaman, appointed by the Board, plays a crucial role in the governance of the company. He is senior management personnel of the company responsible for providing guidance to the Chairman and Board of Directors in respect of their responsibilities, authorities and power. He is directly accountable to the Board, through the Chairman.

In Compliance with the new Corporate Governance Code, Mr. Jaman cannot hold any executive position in any other company at the same time. As of now, Mr. Jaman is also acting as the Company Secretary of Orion Infusion Limited and Kohinoor Chemical Company (Bangladesh) Limited because these three (3) companies including OPL are operating under the banner of Orion Group. However, the Board of Orion Infusion Limited and Kohinoor Chemical Company (Bangladesh) Limited have decided to appoint different individual for the position of the Company Secretary within December 31, 2018 as required by the Code.

The key responsibilities of the Company Secretary include-

- Responsible to advice on the corporate governance and other rules and regulations imposed by different regulatory authorities including RJSC, DSE, CSE, BSEC;

Most notably, the responsibility for developing and implementing processes to promote and sustain good corporate governance has fallen largely within the remit of the Company Secretary;

- Facilitates the distribution of information to the concerned office or person in a timely manner like agenda items for Board meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the company;
- Attends all the meetings of the Board and its sub-committees, records the minutes of the meetings;
- Maintains the necessary link and liaison with the internal organs like Board, management, different divisions and departments and also with the external agencies; and
- Performs company secretarial and legal matters- compliance with Companies Act 1994 and Memorandum & Articles of Association; arranging and holding the Board meeting, annual general meeting, extra ordinary meeting as well as taking correct record of proceedings; maintaining statutory books.

Head of Internal Audit and Compliance (HIAC)

Mr. Ibrahim Khalil is the Head of Internal Audit and Compliance at OPL. He is a Vice President and one of the important members of our senior management team. He has resigned from the position of HIAC from OIL and presently not holding any executive position in any other company. He is an extremely self-driven and clearheaded person who strives to be a diligent professional through team work and relationships with the colleagues. He is responsible for developing and implementing risk based Audit plan, policy/procedure giving priority of sensitive areas. He also works to identify deficiencies during Audits and notify the significant audit findings to the management and Audit Committee of the Board. Other than this, he is also responsible for implementing, directing and overseeing the auditing and compliance programs and conduct and direct audits and ongoing reviews of organizational controls and operating procedures with policies and regulations. In order to conform to the

new Corporate Governance Code imposed by BSEC, the HIAC will also attend the Board meetings to be held in the next financial year 2018-19.

Major duties and responsibilities of the Company HIAC are as follows-

- Responsible for evaluating the adequacy of the system of internal controls and recommending improvements in controls;
- Assesses compliance with policies and procedures and sound business practices;
- Assesses compliance with the laws, rules, regulations, guidelines etc;
- Reviews operations/programs to ascertain whether results are consistent with established objectives and whether the operations/programs are being carried out as planned;
- Reviews and appraise the soundness, effectiveness, and proper application of accounting process and assesses the adequacy and extent of programs designed to safeguard organization assets; and
- Issues reports to the Audit Committee regarding planning of adequate internal control and financial reporting.


Subsidiary Boards

Orion Pharma Limited is the parent (holding) company of two (2) unlisted subsidiary companies:

- Orion Power Meghnaghat Limited and
- Dutch Bangla Power & Associates Limited

Both the subsidiaries have their own Board of Directors with the authority to manage the companies for the best interest of the shareholders as well the companies. The Board is aware of the fact that any material issues of the subsidiary companies might have an effect on both the parent company as a whole and its subsidiaries. Therefore, it oversees the operation and performance of the subsidiaries to ensure effective control over the decision making process of the subsidiaries. One of the Independent Directors of the parent company, Mr.


Golam Mohiuddin, was appointed as the Nominated Director of both the subsidiary companies in order to ensure governance of subsidiary companies. Since Mr. Golam Mohiuddin has been replaced by Mr. Md. Shafiqur Rahman, the Nominated Director of both the subsidiaries has been changed as well through a Board meeting held on June 14, 2018. However, the minutes of the respective Board meeting of the subsidiary companies are placed and reviewed at the following Board meeting of the holding company.

 Under the Subsidiary Profile chapter, detailed discussion on the operation and performance of the subsidiaries is disclosed on page 263 & 309

Board’s sub-committee- Audit Committee


With a view to enabling the Board to carry out its responsibilities and duties effectively, Audit Committee has been established as a sub-committee of the Board by delegating certain of Board’s responsibilities to this Board committee. The committee consists of three (3) Non-Executive Directors chaired by an Independent Director, Mr. Md. Shafiqur Rahman. Other members are Mrs. Zareen Karim, Director and Lt. Col. Kamal Ahmed PSC (Retd.), Independent Director. During the reporting financial year, the committee was reconstituted and replaced two (2) members due to the compliance issues with the revised Corporate Governance code as well as the replacement of one independent director in company’s Board who was also acting as the Chairman of the committee. As per the new code, all the members of the committee need to be the Non-Executive Directors. As Mr. Salman Obaidul Karim, the Managing Director, is the Executive Director of the company, he was replaced by the Mrs. Zareen Karim, one of the Non-Executive Directors of Orion Pharma Limited. The Board at its meeting held on July 15, 2018 has approved this change. On top of that Mr. Md. Shafiqur Rahman, new Independent Director of the Board, has been appointed as the new Chairman of the committee in place of Mr. Golam Mohiuddin and the decision has been taken at the Board meeting held on June 14, 2018.

The Audit Committee assists the Board with respect to internal control, financial reporting, auditing matters, monitoring process, related party transactions etc. The committee has also the responsibility to make sure that all the rules and regulations issued by the regulatory authorities have been complied with and they are directly responsible and report to the Board.

 Details on Audit Committee are disclosed on page 45-48

Board’s sub-committee- Nomination and Remuneration Committee


The Nomination and Remuneration Committee has been duly constituted by the Board of Directors from the members of the Board on August 29, 2018 in compliance with the revised corporate governance code. The committee is composed by three (3) Non-Executive Directors including two (2) Independent Directors of whom one Independent Director, Mr. Md. Shafiqur Rahman, is chairing the committee. Other members are Mrs. Zareen Karim, Director and Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director. The committee supports the Board in formulating the nomination criteria or policy for identifying and recommending the qualified candidates to become members of Board of Directors and key managerial personnel as well as sets policy for formal process of considering remuneration of the Directors, key managerial personnel and other employees of the company.

 Details on Nomination and Remuneration Committee are disclosed on page 61-63

Board’s sub-committee- Risk Management Committee

The Risk Management Committee is another sub-committee of the Board formed during the reporting year with its own defined roles and responsibilities focusing on the overall process of risk management of the company. The committee was established on April 28, 2018 and comprises of three (3) members from

Board’s Non-executive Directors together with the MD/CEO, namely, Mr. Salman Obaidul Karim, Managing Director and Chief Executive Officer; Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director and Mrs. Arzuda Karim, Director. Lt. Col. Kamal Ahmed, PSC (Retd.) is the Chairman of the committee.

 Details on Risk Management Committee are disclosed on page 50-60

Performance evaluation

At Orion Pharma Limited, an annual self-evaluation of the performance of the Boards as well as its committees is carried out as the Directors believe that this assessment measures how the Board and its committees have performed on the parameters of strategic direction, management control and support. Discussions about evaluation of the Board and its committees are initiated in the Board by the Chairperson and the consensus of the Board is obtained on this issue.

According to the internal evaluation procedure of OPL, each Board member fills out a questionnaire on the performance and effectiveness of the Board and the sub- committees. Topics covered in these questionnaires vary from Board composition, scope and responsibilities, governance of the Board and its committees, length and quality of meetings, team effectiveness, strategic leadership and corporate culture to other relevant topics as well. This responsibility of carrying out the process of evaluation has been assigned to the Nomination and Remuneration Committee of OPL.

The results of the evaluation program helped the Board to identify its strengths, weaknesses and opportunities. These points were then discussed at the Board meeting. It was concluded that the Board of OPL and its committees operate effectively.

Independence of Board of Directors

At Orion Pharma Limited, the Board of

Directors is independent of management and has no association that can interfere with their judgment or scope of work. The Nomination and Remuneration Committee (NRC) has been assigned to assist the Board to review the independence of the Directors as well as the sub-committee members. Both the Independent Directors have submitted a signed and dated declaration to demonstrate their independence to the Board of Directors. The Board of OPL determines and declared at the end of the year that all of its members along with those of its sub-committees are independent.

Share dealing

The Board of Directors of Orion Pharma Limited, in their declared code of conduct, has forbidden any kind of insider trading. All Directors and senior management personnel are prohibited from dealing during closed periods. The Board ensures that members of the Board of Directors, the Board's sub-committee or the senior management and their family members did not involve in any insider trading.

Succession planning

At Orion Pharma Limited, the Board of Directors through its Nomination and Remuneration Committee is responsible for overseeing the succession planning. The management team is particularly assigned to assist the Board and the committee with senior leadership succession planning when necessary. The company always plans ahead the succession keeping factors such as skills and knowledge, diversity, professional background, expertise etc. into consideration.

Corporate culture

Orion Pharma Limited has a flexible corporate culture which is always open to improvement. We are a team-oriented company and give plenty of room to our employees for opportunities to learn and fast-track their career. Our human resources practices are one of the best in the country and we are committed for establishing equal employee opportunity for our valued employees. Our philosophy is to make the

appropriate compensation and benefits to the service employees provide the company. Integrity is one of our core values and we believe in being transparent and fair in all our dealings by providing the best quality to the customers along with fulfilling our responsibility towards the society.

Senior management team

In last financial year's annual report, we reported that we had a management team which was established by making the head of different departments as its members with the headship of Chief Executive Officer. During the year under review, there is a modification in the composition of our management team. Mr Md. Ibrahim Khalil, Head of Internal Audit and Compliance; Mr. Md. Zakir Hossain, AVP – Production and Mr. Md. Faisal R Ferdous, VP – HR have been included in the team. The other members of the team are Mr. Salman Obaidul Karim, Chief Executive Officer; Mr. Samaresh Banik, Chief Financial Officer; Mr. Md. Arif Hossain, SVP – Marketing Operations & Commercial. The senior management team of the company is involved in full control of the company's affairs and is also accountable to the Board. It builds the confidence of the Board by ensuring that all the activities carried out by them are consistent with high ethical standards.

Statutory (External) audit

OPL follows the Companies Act 1994, Securities and Exchange Rules 1987 and BSEC's notification with regard to the appointment and reappointment of external auditors. Complying with the rules, the audit committee suggests Statutory Auditors' appointment or reappointment to the Board and the Board recommends the same for the approval of shareholders at the next annual general meeting. Also the remuneration of the external auditors is also fixed by the shareholders. In addition to this, Orion Pharma Limited conforms to the laws that the statutory auditor can hold the office for a maximum period of three (3) consecutive years and they act independently to provide audited financial statements. Since Ahmad &

Akhtar, Chartered Accountants were the External Auditors of Orion Pharma Limited for last three (3) consecutive years, it is mandatory to appoint new auditors for the company for the next financial year 2018-19. In this regard, the audit committee has recommended M/S. S. F Ahmed & Co., Chartered Accountants, for appointment as the statutory /external auditors of the company for the next financial year to be end on June 30, 2019.

Further to that OPL assures the potential stakeholders in respect of corporate compliance by obtaining a Compliance Certificate from a Chartered Accountants Firm, namely ARTISAN, who provides certification based on audit that we have duly complied with all regulatory requirements of BSEC.

Also the Board has recommended to appoint ARTISAN as the corporate governance compliance certificate provider for the next financial year subject to the approval of shareholders at the ensuing AGM.

Communication with shareholders and stakeholders

The Board of Directors of the company pays great importance to its investors' community and their information requirements. With the sincere desire to stay close with investors' community, the company always tries to bridge the gap between investors' and the company.

The company aims to be transparent with all stakeholders, including the owners of the company – the shareholders.

The company holds regularly the Annual General Meeting as per law with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness.

Quarterly, Half-yearly and the Annual

financial statements are also posted at company's website to keep all the stakeholders informed about the company's financial results.

Participation of the shareholders in the AGM

Every company is required to hold an Annual General Meeting as per law. Orion Pharma Limited is no exception and we regularly hold the AGM that has proved to be an effective communication forum for us all. The purpose of the AGM is to enable the company to report on its activities during the past year to its shareholders. We at OPL aim to be accountable and transparent with all our stakeholders, through proper and timely dissemination of information on the company's financial performance and major developments. The AGM is a platform for the Board and shareholders to effectively communicate on OPL's performance. We give a lot of importance to the participation of shareholders in the AGMs and also try to ensure their presence in these meetings to notify them about how their company is performing. This is because we at OPL follow the opinion that regular and transparent communication can help our shareholders feel connected to the company.

A Price Sensitive Information (PSI) convening the date, place and time of holding the Annual General Meeting of Shareholders is published in one Bangla and one English daily-newspaper in compliance with the regulatory bodies. The Annual Reports are also sent in advance to all registered shareholders; at least two weeks before the AGM, so that they have ample of time to review the reports. When selecting the time and venue for the AGM, the convenience of maximum shareholders is given consideration by the company.

Human capital

Our People are Our Capital - with the notion in mind OPL ensures high standard business practices by engaging competent work force in every department of the organization. OPL considers human resources as the

source of creativities and innovations in continuing and/or upgrading organizational overviews towards excellence, the ultimate objective of Orion Pharma Limited.

With the view to retain competencies in every department, Management always ponders for effective Human Resources Management, which is mostly responsible for grouping qualified professionals for steady progress of the company.



A detail report on our human capital is disclosed in our Human Capital Report on page 83-106

Denouement

Responsible and fair corporate governance is fundamental to the success of Orion Pharma Ltd. It is an integral part of our corporate culture and the reason why employees, customers, shareholders, business partners and the general public place their trust in us. The Board, management and the employees of the OPL are obliged to act responsibly and in compliance with applicable laws and regulations of the corporate governance. Our company strives to set benchmark in the corporate world by obtaining the most efficient form of management with the aid of our Board

Members, stakeholders and the employees. Therefore, it is the sole responsibility of our members and employees to adhere with good corporate governance for the sake of company's success in all aspects. OPL envisions to achieve excellency in the field of pharmaceutical industry through effective execution of corporate governance policies. With the aim to adopt transparency and accountability in corporate governance, our company conducts surveillance on a regular basis ensuring a law abiding and appropriate implementation of corporate governance. As a result, OPL is undoubtedly recognized as an ideal organization in maintaining fair governance along with its potential and reliable Board members and employees.



REPORT OF THE AUDIT COMMITTEE

Dated: November 04, 2018

The Board of Directors
Orion Pharma Limited
153-154, Tejgaon I/A
Dhaka-1208

Subject: Audit Committee Report for the year ended June 30, 2018

Dear Members of the Board:

I, the undersigned Independent Director and Chairman of Audit Committee on behalf of the members of committee, do hereby declare that the committee has pleasure in submitting its report to the shareholders as required in terms of the condition No. 5.6 of the Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

The committee is satisfied that it has met its responsibilities for the reporting year and to the date of this report in accordance with its terms of reference as set down in its charter. During the reporting year, the Audit Committee's principal activities included consideration of financial reporting system, internal control system, internal audit function, compliances with all applicable laws and matters related to external auditors.

The committee also monitored the hiring, determination of audit fees and performance of the external auditors as well as held meeting with external auditors for review of the annual financial statements before submitting to the Board.

The Audit Committee, on a quarterly basis, reviewed the financial statements of the company and its subsidiaries, the statement of significant re-current related party transactions entered into by the company throughout the year under report.

Also the committee is of the opinion that the financial reporting process, the application of accounting policies and principles, the internal control and audit functions are adequate to present a true and fair view of the activities and financial status of the company.

Moreover, the committee did not find any material deviation, discrepancies or any adverse findings in the areas of reporting and disclosures and did not receive any findings of management through management letter and any weakness in internal control through letter issued by statutory auditors. The committee ensures that the external auditors were not engaged in any material non-audit work of the company.

M/S Ahmad & Akhtar, Chartered Accountants has expired with the completion of audit work for the financial year ended June 30, 2018 and were the External Auditors of Orion Pharma Limited for last three (3) consecutive reporting years. Due to compliance with statutory requirements regarding the appointment of external auditors, the company can not engage them for the next financial year and accordingly requires to appoint a new Statutory Auditor for the upcoming reporting year. Considering the situation, the Audit Committee has reviewed a number of Expression of Interest (EOI) of audit firms. Considering the experience and eligibility as appeared most appropriate and proficient to perform the external audit, the Audit Committee has recommended M/S S. F. Ahmed & Co., Chartered Accountants, to be appointed as the new Statutory Auditors of the Company for the upcoming financial year.

On behalf of the committee

Sd/-

Md. Shafiqur Rahman
Chairman

The Board of Directors of Orion Pharma Limited has always prioritized the assurance of protection of the interest of stakeholders by means of maintaining integrity of financial reporting, effectiveness of risk management and internal control systems and related corporate governance and compliance matters. The responsibility of ensuring these important matters is exclusively delegated to the Audit Committee (AC), a sub-committee of the Board, appointed by and responsible to the Board of Directors of OPL.

The committee was constituted according to the guidance on Audit Committee by the Bangladesh Securities & Exchange Commission's (BSEC) previous Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 3. Now the committee reports regularly to the Board on the performance of the activities it has been assigned according to the new corporate governance code vide notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and also lends confidence to the quality of the audit and the credibility of the financial statements.

Committee membership

Sl. No.	Members	Joined the committee	Status with the committee	Status with the Board
1	Mr. Md. Shafiqur Rahman* Mr. Golam Mohiuddin	2018 2012	Chairman since June 14, 2018 Chairman till June 14, 2018	Independent Non-Executive Director
2	Lt. Col. Kamal Ahmed, PSC (Retd.)	2014	Member	Independent Non-Executive Director
3	Mrs. Zareen Karim** Mr. Salman Obaidul Karim	2018 2012	Member since July 15, 2018 Member till July 15, 2018	Non-Executive Director Executive Director

Secretary: Mr. Md. Ferdous Jaman, Company Secretary

* Mr. Md. Shafiqur Rahman is the new Chairman of the committee who replaced Mr. Golam Mohiuddin.

**Mrs. Zareen Karim is a new member of the committee who replaced Mr. Salman Obaidul Karim.

The Audit Committee comprised of three (3) members of whom two (2) are Independent Non-Executive Directors with a minimum requirement of one (1) such member. Both of them have extra-ordinary corporate business

experience are appointed by the Board. The committee is chaired by Mr. Md. Shafiqur Rahman who replaced former Chairman Mr. Golam Mohiuddin, an Independent Non-Executive Director, duly selected and appointed by the Board subject to the approval of the shareholders at the upcoming AGM. The former Chairman, Mr. Golam Mohiuddin, was available at the last Annual General Meeting of the company held on December 14, 2017 and the new Chairman, Mr. Md. Shafiqur Rahman will be present at the ensuing AGM to answer queries about the work of the committee. The other members are Mrs. Zareen Karim and Lt. Col. Kamal Ahmed PSC (Retd.). Apart from Mrs. Zareen Karim, all other members of AC are independent. Mrs. Zareen Karim is the new member of this committee in place of Mr. Salman Obaidul Karim. Due to the conformity to new corporate governance code section 5.2 (b), Mr. Salman Obaidul Karim cannot act as the committee member since he is an Executive Director. Therefore, the Board has to reconstruct the committee by removing the Executive Director, Mr. Salman Obaidul Karim and appointing one of the Non-Executive Directors, Mrs. Zareen Karim for the Board. Other than the committee members, the company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the

Each member of the committee is financially literate and competent in financial matters and the committee as a whole has adequate relevant knowledge and experience to equip the committee to carry out its responsibilities.



The biographical details of each member are shown on page 28-30

Terms of reference

The committee reports that it operates within the terms of reference defining the role and responsibilities of Audit Committee as set out in its charter which is governed by the abovementioned BSEC notification. The committee's principal responsibilities include, but not limited to, the following matters:

Financial statements and its reporting process

- Oversight of the quality, fairness and integrity of OPL's financial reporting process and also those procedures' effective operation; and
- Review of the quarterly, half yearly and annual financial statements and accounting policies and principles for the company and all subsidiaries, meeting with the management on quarterly financial statements or with

committee. During the reporting year, no such situation arose making the number of committee members lower than three (3) persons.

the statutory auditors on the annual financial statements and upon satisfaction of the review, recommendation of the same

statements to the Board for approval.

Internal control arrangement

- Review of the Management Letter and Letter of Internal Control Weakness issued by the statutory auditors on the effectiveness of the systems designed for internal financial control and management response thereon;
- Review of statement of significant related party transactions submitted by management;
- Review of the Management’s Discussion and Analysis (MD&A) before disclosing in the Annual Report; and
- Discharge of the committee’s fiduciary responsibilities to consider the major findings for internal investigations and management’s response;

External auditors

- Review of the audit plan and methodology proposed by the external auditors to carry out the audit as well as hold meeting with them for review of the annual financial statements before submission for Board approval;
- Oversight of the nomination, determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit, assessment of the external auditors’ performance, qualifications, findings and recommendation and the recommendation of external auditors’ appointment, re-appointment or replacement to the Board;
- Discussion of the problems, irregularities and reservation arising from the statutory audits and any matters the statutory auditors may wish to discuss; and
- Assurance of the independence of external auditors from any material non-audit services including appraisal or valuation service or fairness opinions, financial information systems design and implementation, book-keeping, broker-dealer services, actuarial services and internal audit services.

Internal audit function

- Oversight of the performance,

adequacy and effectiveness of internal audit function and compliance process to make sure that the internal audit and compliance process is adequately resourced and review of their report stating major findings of the internal investigations and management response and where necessary, making sure that the appropriate actions is taken.

Meetings and attendance

Members	Status with the committee	Meetings held	Meetings attended	%
Mr. Md. Shafiqur Rahman	Chairman since June 14, 2018	6	0	–
Mr. Golam Mohiuddin	Chairman till June 14, 2018	6	6	100%
Lt. Col. Kamal Ahmed, PSC (Retd.)	Member	6	6	100%
Mrs. Zareen Karim	Member since July 15, 2018	6	0	–
Mr. Salman Obaidul Karim	Member till July 15, 2018	6	6	100%

This table demonstrates the attendance records of members at committee meetings during the financial year ended June 30, 2018. The committee held six (6) meetings and all members were present in all meetings of the committee. The time gap between these meetings was not more than one hundred and twenty days (120). Mr. Md. Ferdous Jaman, Company Secretary also attended all the meetings to act as the Secretary of the committee.

**Reporting to-
Board of Directors**

It is mandatory for the committee to report and inform the Board of Directors from time to time about its regular activities and any material defects in internal control or in internal audit and compliance process or in the financial statements, any conflict of interest, any infringement of laws or regulatory compliances and any other matters necessary to ensure the true and fair view of the financial statements.

Regulatory authorities

Apart from reporting to the Board, it also needs to report the Regulatory Authorities regarding any issue having material financial impact on the financial condition and results of operation if the Board and the management have unreasonably ignored such issues without making any rectification.

Shareholders and other interested parties

It reports to shareholders and other interested parties on annual basis by means of presenting a summary of its activities in the form of ‘Audit Committee Report’.

During the year under review, the committee met six (6) times to discharge its duties and responsibilities and accordingly forwarded their reports to the Board. The Board is of the view that there was no other issue having significant material impact on the company’s Financial Statements which needed to be disclosed to the Board or the regulatory authorities.



The Audit Committee’s report for the shareholders and other interested parties is presented on page 46 of this Integrated Report



REPORT OF THE RISK MANAGEMENT COMMITTEE

Dated: November 04, 2018

The Board of Directors
Orion Pharma Limited
153-154, Tejgaon I/A
Dhaka-1208

Subject: Risk Management Committee Report for the year ended June 30, 2018

Dear Members of the Board:

I, the undersigned Independent Director and Chairman of Risk Management Committee on behalf of the members of committee, do hereby declare that the committee has pleasure in submitting its report to the shareholders for the year ended June 30, 2018.

This is the first year for the committee and the committee is satisfied that it has met its responsibilities for the reporting year and to the date of this report in accordance with its terms of reference as set down in its charter. During the reporting year, the committee's principal activities included setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk.

The committee, on annual basis, also evaluated the adequacy of the charter along with reviewing and assessing the quality, integrity and effectiveness of the risk management systems and ensuring that the risk policies and strategies are effectively managed. The committee ensures that it has properly reviewed the effectiveness of the internal control processes. The committee is of the opinion that the disclosure provided in this integrated report on the risk management strategies & policies along with the evaluation criteria and activities of the committee are adequate to present a transparent and independent view of the company's approach to identifying risks and taking necessary steps against them.

The committee confirms that the company's risk management, mitigation and monitoring processes have been effective in limiting the potential impact of risks on the business during the year under review. OPL seeks to operate within all relevant rules and regulations and to avoid disruptions to its business operations that would have a negative impact on stakeholders.

On behalf of the committee

Sd/-
Lt. Col. Kamal Ahmed, PSC (Retd.)
Chairman

The Board of Orion Pharma Limited in its meeting held on April 28, 2018 has set up a Risk Management Committee (RMC), a sub-committee of the Board, to oversee and drive improvement in risk management practices at the company. The committee has been duly constituted with one primary objective - supporting the Board by looking after the total process of risk management of the company. The committee reports regularly to the Board regarding its activities and performance and encourages the presence of top level executives, representatives of the external auditor; in the meetings of the RMC so that they may be able to provide valuable input for effective decision making.

Committee membership

Sl. No.	Members	Joined the committee	Status with the committee	Status with the Board
1	Lt. Col. Kamal Ahmed, PSC (Retd.)	2018	Chairman	Independent Non-Executive Director
2	Mr. Salman Obaidul Karim	2018	Member	Executive Director
3	Mrs. Arzuda Karim	2018	Member	Non-Executive Director

Secretary: Mr. Md. Ferdous Jaman, Company Secretary

During the year ended June 30, 2018, the Risk Management Committee comprised of three (3) members of whom one (1) is Independent Non-Executive Director. The committee is headed by Lt. Col. Kamal Ahmed, PSC (Retd.), an Independent Non-Executive Director, duly selected and approved by the Board. The other members are Mr. Salman Karim, Manaing Director and Mrs. Arzuda Karim, Non-Executive Director. Other than the committee members, the Company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the committee. The committee, as a whole, is qualified to meet the responsibilities of a Risk Management Committee.



The biographical details of each member are shown on page 26-27 & 29

Terms of reference

The committee reports that this committee operates within the terms of reference defining the role and responsibilities of Risk Management

Committee as set out in its charter. The charter governs the procedures of the RMC and outlines the procedures and guidelines for the total process of risk management of the company.

The Committee's responsibilities include, but not limited to, the following matters:

- Assisting the Board in framing risk strategy policies and ensure that these strategies are effectively administered

Sl. No.	Members	Status	Meetings held	Meetings attended	%
1	Lt. Col. Kamal Ahmed, PSC (Retd.)	Chairman	1	1	100%
2	Mr. Salman Obaidul Karim	Member	1	1	100%
3	Mrs. Arzuda Karim	Member	1	1	100%

management in the annual report.

Meetings and attendance

The following table demonstrates the attendance records of members at committee meetings during the financial year ended June 30, 2018. The committee held one (1) meeting and all members were present in this meeting. Mr. Md. Ferdous Jaman, Company Secretary also attended the meeting to

by the management;

- Setting the risk tolerance and appetite levels of the company and ensure that the risks are taken within the agreed tolerance and appetite limit;
- Ensuring that the management formulates a policy for a system of risk management which is distributed throughout OPL and annually assess the quality, integrity and effectiveness of the risk management plan;
- Establishing an effective ongoing process to identify risk and work out a plan for outcomes surrounding key risks;
- Overseeing and review formal reviews of activities associated with the effectiveness of internal control processes; and
- Presenting an independent and objective oversight and view of the information presented by management on corporate accountability along with assisting the Board in its responsibility for disclosure in relation to risk

act as the Secretary of the committee.

Reporting to-









• Board of Directors





















It is mandatory for the committee to report and inform the Board of Directors from time to time about its regular activities and to ensure that the Board is aware of any matter relating to the committee which may significantly impact the financial condition or other affairs of the company. The committee chair on behalf of the committee reports to the Board following each meeting and prepares any report on the matters as outlined in its charter for the approval of the Board.

















FRAMEWORK FOR RISK MANAGEMENT













The stakeholders of OPL want to be convinced that the company is aware of the risks that might have material impact on the business and we are assuring them by focusing more on identifying risks and addressing them promptly. It is the responsibility of both the Audit and the Risk Committees to assess each risk and determine which of them have significant adverse impact on the business, while at the same time complying with the laws. OPL's risk management systems


















encompass the factors like identification of emerging risks, determination of the significance of each risk, coming up with strategies to ensure the safeguarding against these risks, execution of these strategies to minimize the negative impact of these risks. Below is a list of risks having significant impact on the operation of the company and also the procedures to mitigate or control those risks.













Principal risks	Importance of risk	Impact on capital	Link to material issues	Mitigation process	Status
1. People and talent					
 <p>Human resources are keys to our success. Risks can come from failure of attracting and retaining sufficient number of quality staff. Again lack of right person in the right place at right time can cause huge loss and fail to achieve the planned growth.</p>	<p>Human capital</p> 	<p>Employee well-being and engagement</p> 	<ul style="list-style-type: none"> Fair and transparent recruitment process. Arrangement of succession planning. Regular training and development programs. Development in employee leadership and employee engagement. Remuneration and salary structure based on the industry analysis. 		
2. Political instability					
 <p>Instability and turbulence of the political condition severely disrupt the operation and cause downturn of sales of the business. Political risks cannot be avoided but these can be managed. Sales decreased, production hampered due to strike are some risks arised from political instability.</p>	<p>Financial capital</p> 	<p>Not applicable</p> 	<ul style="list-style-type: none"> Strong Company Affairs Division to stay on top of political risks such as keep up to date information about volatile political climate, macro and micro political risk environment, change in government, new laws and regulations etc. Careful analysis and evaluations of the situations can save the business from business downturn. Active participation in key policy development and review. 		

Principal risks	Importance of risk	Impact on capital	Link to material issues	Mitigation process	Status
3. Supply disruption					
 <p>Disruption of input materials due to machinery breakdown, fire and explosion, faulty design and manufacturing, operating error, interruption of power of suppliers can cause material shortages and production can be hampered at great extent.</p>	<p>Manufactured capital</p>  <p>Natural capital</p> 	<p>Sustainable sourcing</p>  <p>Continuous review of operation</p> 	<ul style="list-style-type: none"> • Strong supply chain department. • Inventory management plan development. • Plan to have alternative supply of crucial materials. • Planning meetings are held regularly. • Development of contingency plan. 		
4. Liquidity crisis					
 <p>If we have inability to meet our obligations and expense in time, it will threaten our financial position and our strong existence.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> • Mitigation of the risk by developing strategies and taking appropriate actions designed to ensure that necessary funds and collateral are available when needed. • Incorporation of the integrated risk management processes for it. 		
5. Product quality					
 <p>Product quality fall can reduce our image and decline the quantity of sale.</p>	<p>Financial capital</p>  <p>Social and relationship capital</p> 	<p>Product quality</p> 	<ul style="list-style-type: none"> • Compliance with significant regulations including ISO, WHO in production. • Regular quality inspection. • Computerized product testing. • Well trained workers. 		
6. Market demand and competition					
 <p>Presence of significant number of pharmaceutical companies and also the availability of same generic products from different companies results in tough competition that we are already facing.</p>	<p>Financial capital</p> 	<p>New product development</p>  <p>Competition</p> 	<ul style="list-style-type: none"> • Improvement on time delivery. • Best product quality. • Promotional activities for brand generic through right channel. 		

Principal risks	Importance of risk	Impact on capital	Link to material issues	Mitigation process	Status
			International opportunities 	<ul style="list-style-type: none"> • Adoption of effective and efficient marketing strategies. • Community Engagement. 	
			Brand development 		
7. Information technology					
	OPL is mostly IT based in its activity. So if these are collapsed, OPL will face operational disruption, loss of data, financial loss and damage to corporate image.	Intellectual capital 	Not applicable 	<ul style="list-style-type: none"> • Development of a strong access security to the server. • Well trained IT department taking care of the security and access over time. • Highly secured software and mailing system. • Awareness campaign. 	
8. Health and safety					
	OPL products are manufactured with sensitive pharmaceutical materials. If the safety and health care is not ensured, it will cause devastating impact to OPL.	Human capital  Social and relationship capital 	Occupational health and safety 	<ul style="list-style-type: none"> • Compliance with ISO, WHO, Bangladesh Food & Drugs Authority and government regulations. • Precautionary equipment to keep things safe. • Training of workers and employees so that they can take care of health and safety. 	
9. Stakeholder relationship					
	Stakeholder relationship is vital for OPL. If it is not maintained well, OPL will lose its trust and the market also. The stakeholders may not step forward if proper relationship is missing.	Social and relationship capital 	Corporate governance, business ethics and code of conducts  CSR 	<ul style="list-style-type: none"> • Assurance of the fact that each and every potential stakeholder gets proper significance. • Regular communication to related stakeholders. • Supply of necessary data and fulfillment of their legitimate needs to maintain smooth and reliable relation. 	

Principal risks	Importance of risk	Impact on capital	Link to material issues	Mitigation process	Status
10. Compliance issues					
 <p>OPL may lose its market, face damage to corporate image and financial penalty if it does not conform to relevant compliances issues.</p>	<p>Social and relationship capital</p> 	<p>Corporate governance, business ethics and code of conducts</p> 	<ul style="list-style-type: none"> Compliance in every aspect of health and safety, financial and reporting, quality of product, production and plant, international business and so on. Disclosure of a statement of compliance in this report. 		
11. Financial issues					
 <p>Financial risks relates to the interest rate risk and exchange rate risk. Unfavorable movements in the interest rate occur mainly due to Government's monetary policy. Also, unfavorable volatility or currency fluctuation may affect the profitability of the company in case of foreign transaction.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> Low debt/equity ratio so that adverse impact of interest rate fluctuation is insignificant. Purchase of major portion of raw materials and export of our products are in USD. Therefore exchange rate risks are covered by balancing costs and selling prices of the products. 		
12. Corporate reputation					
 <p>If the reputation falls, it will be difficult for OPL to recover it.</p>	<p>Social and relationship capital</p> 	<p>Not applicable</p> 	<ul style="list-style-type: none"> Compliance with every standard and regulation applicable for the company. World class manufacturing plant. Proper disclosure of necessary data for govt., customers and other stakeholders. True and transparent process maintenance in every step for our business. 		

Principal risks	Importance of risk	Impact on capital	Link to material issues	Mitigation process	Status
13. Environmental consideration					
 <p>Failure to make positive contribution to the environmental dimension of sustainability reporting will damage our corporate image.</p>	<p>Natural capital</p> 	<p>Waste management</p> 	<p>Carbon emission and natural resources consumption</p> 	<ul style="list-style-type: none"> Maintaining effective waste management. Adopting air pollution control mechanism. Reduction of carbon impact strategy will be adopted soon. 	
14. Credit risk					
 <p>Credit Risk is the risk that may arise if customers fail to make required payments on due time.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> Effort to make collections faster by constantly being in touch with our customers. This is also reflected in our financial statements as our collection period is always below 180 days and there has yet been no impairment and no bad debts. 		
15. Interest in subsidiaries					
 <p>OPL has two subsidiaries in the power sector from where a significant portion of revenue is achieved. This might have a negative impact on the company.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> Contract signed with BPDB for a fixed number of years ensures payment. 		
16. Value of investment					
 <p>Risk in investing in the marketable securities being offered with comparison to other available investment option. It also consists of risks arising from making any capital investment through business expansion.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> Maintenance of a diversified investment portfolio because the capital market of Bangladesh is volatile. As for our business expansion through the Pharma Park, our Marketing team constantly surveys the market trend and gives feedback upon which our production will take place. 		

Principal risks	Importance of risk	Impact on capital	Link to material issues	Mitigation process	Status
17. Potential conflict of interest					
 <p>The Directors of OPL are also involved with Orion Infusion, which falls in the pharmaceutical sector that might cause a conflict of interest.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> • Even though both companies belong to the pharmaceutical sector, their product lines are completely different. 		
18. Interest rate risk					
 <p>Risk that arises from fluctuating interest rates that occur due to macroeconomic reasons might have a negative impact on the company.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> • We reduce this risk by depending less on loans. 		
19. Exchange rate risk					
 <p>OPL has offshore markets and receives revenue in the form of foreign currencies. Any unforeseen deviations in the exchange rates might have a negative impact on the company.</p>	<p>Financial capital</p> 	<p>Ensuring sustained financial performance</p> 	<ul style="list-style-type: none"> • We offset this risk by going for natural hedging as raw materials are also imported. 		

The Board of Orion Pharma assumes the importance of maintaining and following an effective risk management and internal control system for the interest of the financial capital providers, most importantly, the shareholders. Therefore, the responsibility of identifying and determining the nature and extent of emerging risks and also managing those risks are entrusted with the Risk Management Committee under the supervision and guidance of Board of Directors. They are also responsible for the design, implement and monitor of effective internal control system at all level of the organization. Along with this,

management team is also in-charged with the tasks of notifying the committee immediately regarding any risks or violation of internal control that come to their attention.

Risk management framework

Our six (6) steps risk management cycle is as follows:

1. Establish the context

The Risk Management Committee establishes the context considering the internal (mission, vision, goals and objectives) and external context (overall business environment including

stakeholders' objectives and perception), the basis upon which risks will be evaluated and defining a framework for the process, and agenda for identification and analysis.

2. Identify the risks

Risk identification provides the foundation of any risk management process. Any failure at this stage to identify risk may cause a major loss for us. Our committee is constantly engaged in identifying possible potential risks that may affect, either negatively or positively, the objectives and performance of our business.

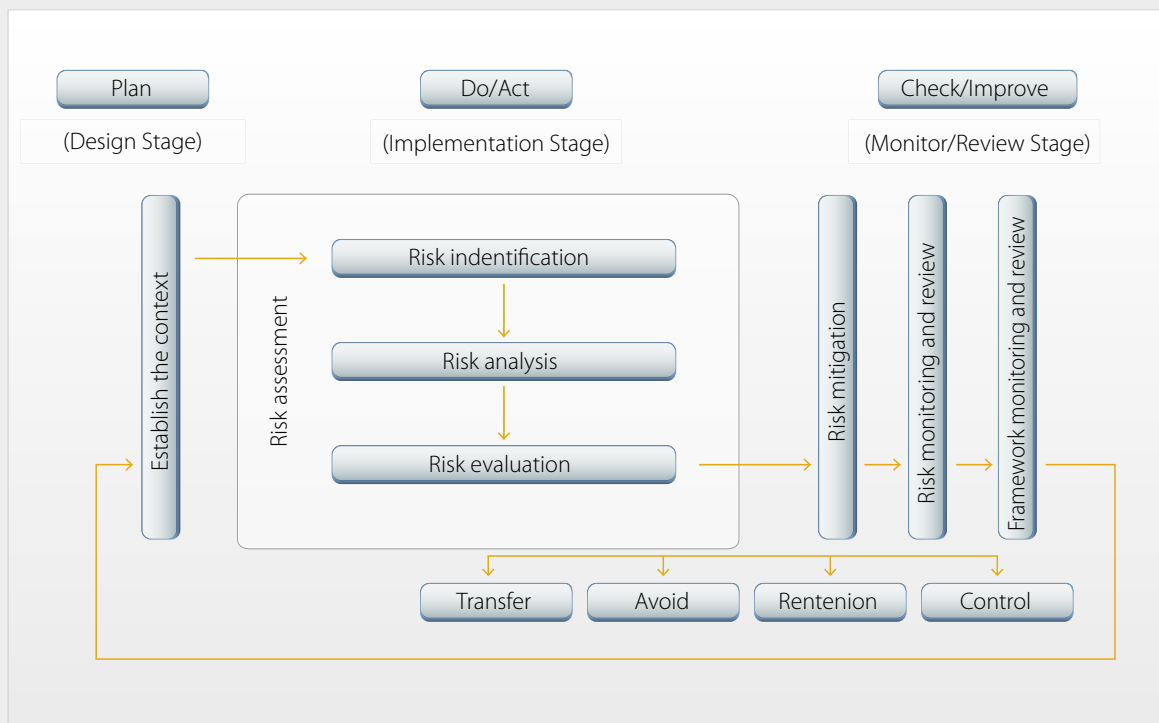


Figure: Risk Management Framework

3. Analyze the risks

Many risks can be identified during the risk identification stage but it is often not possible to try to address all those identified. These risks are then analyzed and determined which risks have a greater consequence or impact than others. At this stage two (2) factors are considered in the risk evaluation process:

- The possible consequences, or impact, of an event after taking into consideration of our internal control and risk management measures. It involves the understanding of the risk appetite of our company.
- The likelihood of that event occurring. The result is a 'level of risk'.

Assessing risk is a major and the most critical part of our risk management process. Evaluation of the probability of risk occurrence and the potential impact of the risks if we experience is visually represented through risk management heat-map. The visualization of this heat-map involves the consideration of aforesaid two (2) factors. A scale of one (1) to three (3) is used for both the possible consequences and the likelihood providing the total risk rating on a scale of one to nine. Also we maintain a comprehensive register for the documentation of all identified operational risks.

4. Evaluate the risks

Risk evaluation involves comparing the level of risk found during the analysis process with previously established risk criteria, and deciding whether these risks are acceptable or require treatment.

Ultimately, at this stage we will have a prioritized list of risks that require further action. A risk may be acceptable for any of the following reasons-

- The cost of treatment far exceeds the benefit;
- The level of the risk is so low;
- The opportunities presented outweigh the threats to such a degree that the risks justified; and
- The risk is such that there is no treatment available.

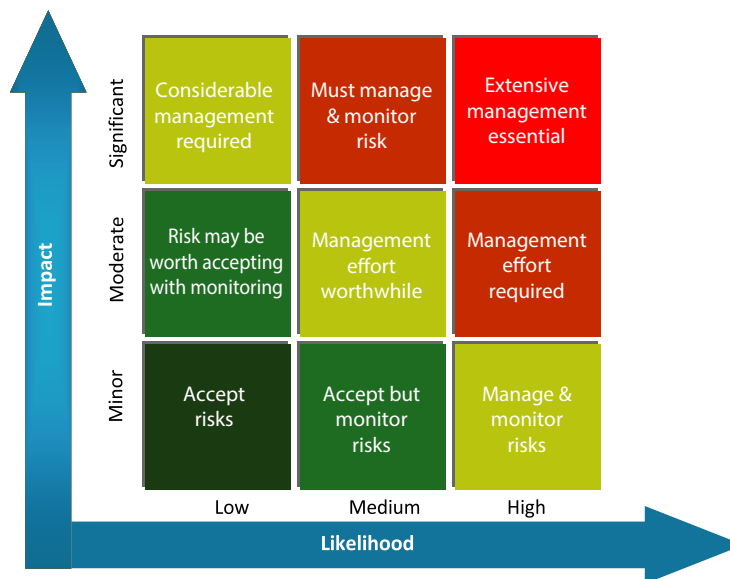


Figure: Risk Heat Map

5. Mitigate the risks

If any risks that cannot be accepted at stage 4, option of treatment of the risks is considered. Under this stage, we work for identifying options for treating or controlling risk, in order to either reduce or eliminate negative consequences, or to reduce the likelihood of an adverse occurrence. Risk treatment also aim to enhance positive outcomes. The following four (4) options are exercised here to minimize the negative risks or increase the impact of positive risks-

- **Transfer:** Risk transfer is a risk management and control strategy of OPL that involves the contractual shifting of a pure risk from one party to another.
- **Avoid:** If the potential risk far exceeds the potential benefits then risks are avoided by not performing an activity that could carry risk.
- **Retention:** It is a conscious decision to engage in a certain project or activity where the return is greater than cost of transferring.

- **Control:** We try to reduce the risk by taking precautionary actions where possible.

During the implementation of risk mitigation plan, Risk register is being completed by adding all information that adequate resources are available, and define a timeframe, responsibilities and a method for monitoring progress against the plan.

6. Monitor and review the risks

We periodically monitor risks and review the effectiveness of our risk management system to ensure changing circumstances do not alter the risk priorities set previously.

Our risk management process is regularly repeated with the objective of evaluating whether the previously selected control measures are still applicable and effective, and ensuring that new risks are captured in the process and effectively managed.

Internal control framework

We believe that risk management and internal control are ways of maximizing business opportunities and reducing potential losses associated with the emerging risks. As already discussed the different methods of risk management, developing and implementing internal control system is another mean by which risk is managed.

The Board of Directors is ultimately responsible for the system of internal control. They delegate the tasks of establishing, operating and monitoring the system to the management of the company. The Board set appropriate policies on internal control and the management works based on those policies adopted by the Board.

The charge of annual review of the efficiency and effectiveness of the internal control system rests with the Audit and the Risk committees to assure that internal control system is functioning properly and it is up-to-date with the changing business environment.

At OPL we have developed a sense of accountability among all our employees towards the implementation of the internal control system.

Internal audit

Our internal audit department performs a very specific job that is designed to assist in financial audit and inventory audit function. Within the company, two (2) types of internal audit functions are carried out: prepayment audit and post payment audit.

- Pre Audit: Bills are sent by the concerned employees of respective department to the pre audit department, including software entry through e-bill processing, before making any payment, If any change or correction is required, the bill is revert back to the same employee. After all necessary corrections, the bill is submitted again to this department. Subsequent to this, if the department is satisfied with the fact that the bill is acceptable, they send the bill to the accounts department for making payment.

- Post Audit: Following the payment made by the accounts department, all necessary documents are sent to this department for final checking and verification.

The bills are sent to the post audit department twice during a month. The department communicates and consults with the concerned department head regarding the error or mistake, if any.

Moreover, they also conduct inventory audit at CDC and every depot on a regular basis. A monthly report is also

prepared and delivered by this department to the Managing Director of the Board regarding their activities and findings during the reporting month.

Financial reporting control

In order to provide assurance on the reliability of the financial statements, the company has placed different policies, practices and control mechanism which are designed to identify and solve key financial reporting problems including the risks of changes in accounting standards. The Chief Executive Officer and the Chief Financial Officer is required to provide their certification on the true and fair view of the financial statements. In addition, the Chief Financial Officer attends the quarterly Board meetings held on the quarterly and half yearly accounts of the company. Further to that the integrity of the financial statements are supported by the review and recommendation of the Audit Committee and approved by the Board of Directors.



Figure: Internal Audit Process

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

Dated: November 04, 2018

The Board of Directors
Orion Pharma Limited
153-154, Tejgaon I/A
Dhaka-1208

Subject: Nomination and Remuneration Committee Report for the year ended June 30, 2018

Dear Members of the Board:

I, the undersigned Independent Director and Chairman of Nomination and Remuneration Committee on behalf of the members of Committee, do hereby declare that the committee has pleasure in submitting its report to the shareholders for the year ended June 30, 2018. This report complies with the Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

This is the first year for the committee formed after the reporting financial year and the committee is satisfied that it has started working on its responsibilities for the reporting year and to the date of this report in accordance with its terms of reference as set down in its charter. The committee's principal activities included the adoption and application of Nomination and Remuneration policies for Directors, Key Managerial Personnel and other employees.

The Committee is of the opinion that since the committee has recently been formed and they have just started working on their scope of works, the nomination and remuneration policy would be disclosed in next financial year's annual report.

The committee remains confident that the remuneration received by the Board Directors and Key Managerial Personnel disclosed in the audited financial statements for shareholders' consideration is the evidence of company's effort to attract and retain the highest caliber of talent.

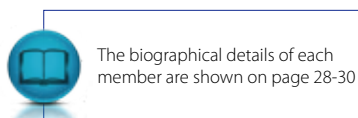
On behalf of the committee

Sd/-

Md. Shafiqur Rahman
Chairman

In accordance with the guidance provided by Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 6, the Board of Orion Pharma Limited in its meeting held on August 29, 2018 has set up a Nomination and Remuneration Committee (NRC), a sub-committee of the Board, to enhance efficiency, effectiveness and accountability of Board. The committee has been duly constituted with one primary objective- supporting the Board by setting policies for nomination and remuneration functions. The charter clearly sets out the terms of reference or scopes of the committee's responsibilities. The committee may be supported by an independent expert as advisor who does not have voting power like the member of the committee. The committee reports regularly to the Board on the performance of the activities it has been assigned.

and Lt. Col. Kamal Ahmed PSC (Retd.), Independent Non-Executive Director. Other than the committee members, the Company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the committee. The committee, as a whole, is qualified to meet the responsibilities of a Nomination and Remuneration Committee.



Terms of reference

The committee reports that committee operates within the terms of reference defining the role and responsibilities of Nomination and Remuneration Committee as set out in its charter which is governed by the abovementioned BSEC notification. The charter governs the procedures of the NRC and outlines the procedures and guidelines of nominating a candidate to the position of Director as well as nominating persons to become members of the company

- Formulating criteria for determining qualifications, positive attributes and independence of directors as well as the criteria for evaluation of performance of the Board of Directors including the Independent Directors;
- Annually evaluating and reviewing the appropriate size of the Board, required mix of skills, experience and other qualities;
- Providing recommendations to the Board concerning:
 - Position composition of the members of the Board of Directors;
 - Policies and criteria required in the process of candidates nomination of the Board of Directors; and
 - Performance evaluation policy for members of the Board of Directors.
- Assisting the Board in evaluating the performance of the Board of Directors based on criteria that have been prepared as an evaluation;
- Identifying the company's need for employees at different levels and

Committee membership

Sl. No.	Members	Joined the committee	Status with the committee	Status with the Board
1	Mr. Md. Shafiqur Rahman	2018	Chairman	Independent Non-Executive Director
2	Lt. Col. Kamal Ahmed, PSC (Retd.)	2018	Member	Independent Non-Executive Director
3	Mrs. Zareen Karim	2018	Member	Non-Executive Director
Secretary: Mr. Md. Ferdous Jaman, Company Secretary				

The Nomination and Remuneration Committee comprised of three (3) members of whom two (2) are Independent Non-Executive Directors with a minimum requirement of one (1) such member. All the members are Non-Executive Directors, nominated and appointed by the Board. The committee is headed by Mr. Md. Shafiqur Rahman, an Independent Non-Executive Director. Since the committee has been formed after the last year's Annual General Meeting, he was not available at the last Annual General Meeting of the company held on December 14, 2017. However, he will be present at the ensuing AGM to answer queries about the work of the committee. The other members are Mrs. Zareen Karim, Non-Executive Director

Key Management Personnel. This charter also outlines the procedures and guidelines in relation to the remuneration of Directors, Key Management Personnel and other employees of the company.

The committee's principal responsibilities include, but not limited to, the following matters:

Function of nomination

- Establishing a policy formalizing the company's approach to Board diversity (including diversity in gender, age, socio-economic background, skills, experience and independence);

determining their selection, transfer or replacement and promotion criteria;

- Providing qualified candidates proposed as members of the Board of Directors to the Board to be submitted to the General Meeting of Shareholders;
- Considering the need to identify persons who are qualified to become directors and who may be appointed in senior management in line with the criteria laid down and recommending to the Board their appointment or removal; and

- Developing, recommending and reviewing annually the company's human resources and training policies.

Function of remuneration

- Reviewing and recommending to the Board a formal and transparent remuneration policy and framework for the Board members and senior management and other employees of the company. In doing so, the committee considers the following:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Meetings and attendance

No meeting was held during the reporting period since the committee has been formed after the end of financial year.

Reporting to-

• Board of Directors

It is mandatory for the committee to report and inform the Board of Directors from time to time about its regular activities and to ensure that the Board is aware of any matter relating to the committee which may significantly impact the financial condition or other affairs of the company. The committee chair on behalf of the committee reports to the Board following each meeting and prepares any report on the matters as outlined in its charter for the approval of the Board.

• Shareholders and other interested parties

It reports to Board and the Board discloses the nomination and remuneration policy and the evaluation criteria and activities of NRC to the shareholders and other interested parties by means of presenting a summary of its activities in the form of 'Nomination and Remuneration Committee Report'. Report of the Nomination and Remuneration Committee is part of the report of the Board and disclosed in its annual report for the general shareholders.

ORGANIZATIONAL CHART

Orion Pharma Limited’s hierarchical organizational structure follows the layout of a pyramid. The Board of Directors of OPL works on behalf of the shareholders for the best interest of the Shareholders. Every employee except the Chief Executive Officer (CEO) is subordinate to someone else within the organization. The organogram defining the division and department of Orion Pharma Limited is presented here.

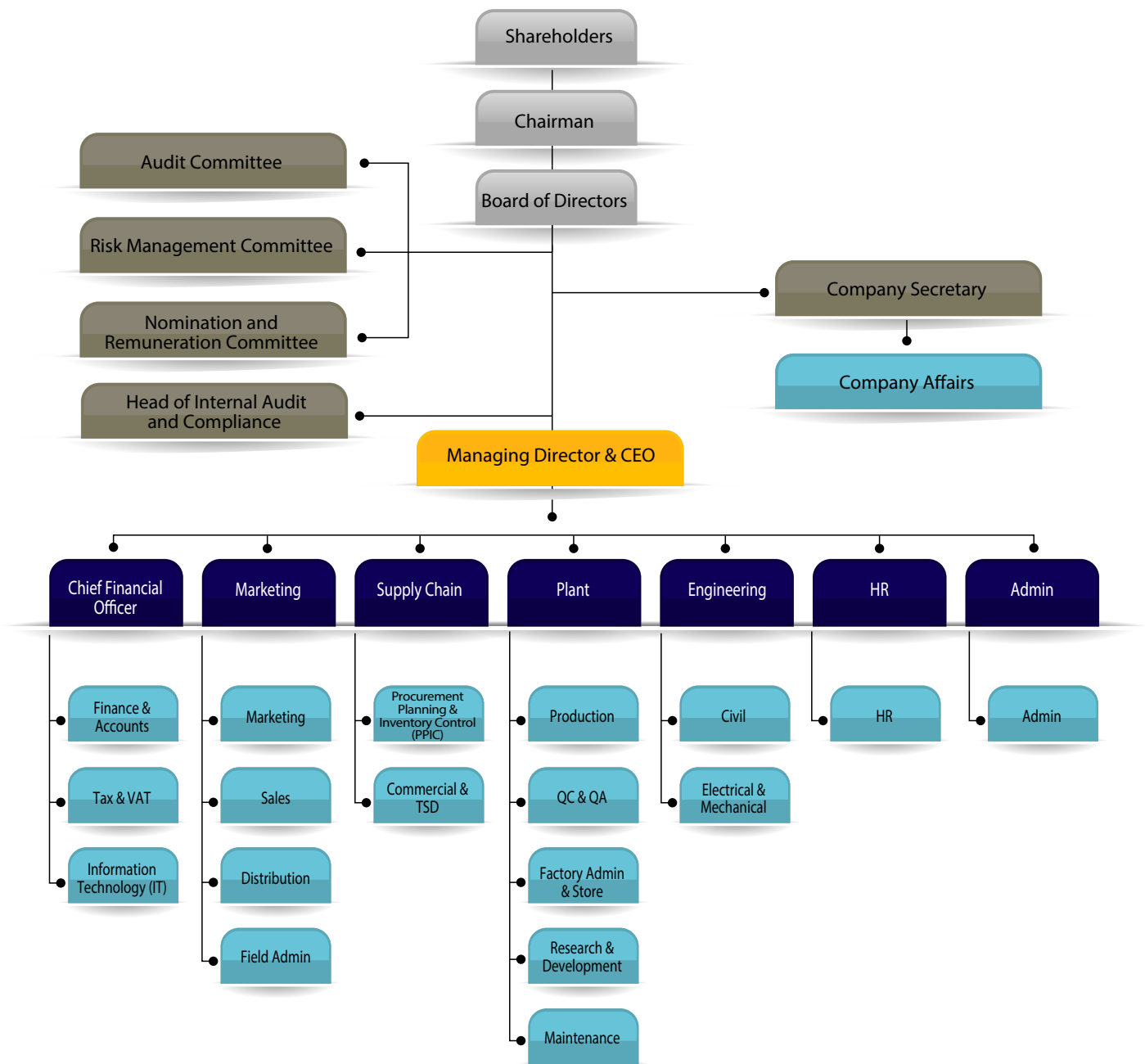


Figure: Organogram of Orion Pharma Ltd.

THE CODE OF CONDUCT & BUSINESS ETHICS

The Code of Conduct and Business Ethics set the standard for conducting and running business. It is applicable from members of the top management to all employees of the company and its subsidiaries. Furthermore, Orion wants to do business with partners whose business practices are consistent with that of us. OPL has started working on the amendments to its Code of Conduct & Business Ethics for the Board of Directors to make it align with the regulatory requirements of Corporate Governance Code. The revised code will be duly approved by the Board and the same will be posted on the website.

An environment in full compliance with the standard of business conduct and commitment towards an effective application of code of conduct is a priority for OPL in every aspect. Conflict of interests, intellectual property, corporate responsibilities and various other corporate segments are ensured to fully adhere with the rules and regulations associated with the business activities. OPL also maintains an equal opportunity environment along with special facilities for the female employees of all designation. Mutual respects among the employees and the supervisors are also maintained to retain the dignity of our valued employees and Board members. Management is aware about the company's image, hence motivate the employees to perform with honesty and utmost diligence. Compliance with the standard of ethical code is a key element for OPL in establishing itself as an organization by forming an ideal corporate ambience. The corporate ethical policies which OPL maintains are explained in details.



Figure: Major Elements of Code of Conduct

We believe in respecting each other

Discrimination and harassment

Orion Pharma Limited respects the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment. Our people do not discriminate on the basis of origin, religion, race, gender, age or any other criteria. The employees also do not engage in any kind of verbal or physical harassment based on any of the above or any other reason. Employees who feel that their workplace does not comply with the above principles are encouraged to raise their concerns with the HR Department.

Workplace safety

Orion Pharma Limited believes that workplace safety is of utmost importance in any organization as it benefits both the company and the worker. Human loss and suffering is immeasurable. Occupational injuries and illnesses can provoke major crisis for the families in which they occur. In addition to major financial burdens, they can impose substantial time demand on rest of the family members. Safety transforms a company and the employees into a team of people with a common goal.

When a company puts their employees first and implements proper safety training and education and then enforces it, several positive results happen. Our company has taken many initiatives to ensure safety such as safe equipments and a healthy working environment.

We have walk-through metal detectors to ensure no one is bringing guns, knives or any other dangerous weapons into the workplace. Also proper record is maintained whenever outsiders pay a visit to the company. Time and again, it has been established that companies that put safety first turn out higher quality products and our company is no exception to this thought.

Prudent conduct and behavior

Behind every successful company there is role of employees and management who are responsible for their honesty, performance and discipline they have shown to the company for a considerable span of time. OPL believes in the same

notion and gives high importance to these factors and keep motivating the employees to maintain prudent conduct and behavior in compliance with the ethical standards of behavior. In addition, HR continues to analyze how to boost the performances and incorporate more rules and regulations to keep the employees act in a more disciplined manner and provide various incentives to retain the loyalty of the employees towards the company.

Political activity

OPL is prohibited to participate in any political activities and donations to maintain a fair corporate environment within the company. Involvement in political activities shall be perceived as compromising employees' performance of their duties in an impartial manner. In order to maintain a non political environment inside the organization and to retain the pure corporate culture employees are bounded with certain restrictions.

We have a sense of ethics in our business activities

Families and relatives

In our company recruitment is done on a basis of merit. Immediate family members of employees may be hired only if the appointment is based on qualifications, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the employee and his or her relative. These principles of fair employment apply to all aspects of the employment, including compensation, promotions and transfers, as well as in case that the relationship develops after the respective employee has joined the company.

Gifts, meals, entertainment

Employees shall not be influenced by receiving favors nor shall they try to improperly influence others by providing favors. Employees may only offer or accept reasonable meals and symbolic gifts which are appropriate under the circumstances, and they shall not accept or offer gifts, meals, or entertainment if such behavior could create the impression of improperly influencing the respective business relationship.

Bribery and corruption

Bribery is a form of corruption that involves giving or receiving something valuable to influence or alter the action of an authority figure, such as a government official or company executive. This is strictly prohibited at Orion Pharma Limited. Employees are discouraged to directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private.

Moreover, employees refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof. Employees over here are aware that the offering or giving of improper benefits in order to influence the decision of the recipient, even if he or she is not a government official, may not only entail disciplinary sanctions but also result in criminal charges.

Conflicts of interest

A Conflict of Interest occurs when personal interests of an employee or the interests of a third party compete with the interests of the Company. In such a situation, it can be difficult for the employee to act fully in the best interests of Orion Pharma Limited. Employees over here avoid Conflicts of Interest whenever possible. If a situation that may involve or lead to a Conflict of Interest, the employees at OPL disclose it to the Line Manager and/or the HR Function to resolve the situation in a fair and transparent manner.

Compliance with laws, rules and regulations

Complying with the prevailing laws, rules and regulations and being in conformity with social norms are the basics of our business. Nationally and internationally wherever we do business we obey the relevant laws and regulations and avoid any action that can discredit the company.

Insider trading

Insider Trading is dealing in relevant investments such as shares & bonds while in possession of non-public price sensitive information (insider information). Insider information includes, for example,

confidential information about the plan to acquire another company, strategic alliances, financial results, proposed dividend/ bonus for shareholders, product discoveries/launching, changes in capital structure or important agreements. Insider trading includes giving 'tips' to another person or dealing on behalf of relatives, friends or any other third parties based on insider information. Employees must refrain from disclosing insider information to anyone, including friends and family.

Competition

OPL's one of the main objectives lies in promoting fair competition. In compliance with the principles set by the authorities, OPL ensures to promote a fair competitive environment and maintain the quality of employees and the products simultaneously. OPL believes free market economy competition is the key to progress while complying with the standard competition laws. Market prices, selling of products, production are all operated fairly so that no injustice is done to the customers and to the employees. In case of any misuse through competition the legal department must be informed to seek necessary actions against the failure in compliance with the ethical code of fair competition. There are documents prepared to make the company employees' aware of fair competition both inside and outside of organization.

We are committed to protect company assets

Confidential information

Information is a vital asset of a company. Information and data which is not in the public domain is considered confidential and proprietary information. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data. Again our customers, suppliers and others also may share their confidential and proprietary information with us. We have the duty to properly use and safeguard business information belonging to and shared with the company.

Protection of company assets

Everyone at Orion Pharma Limited is conscious and committed to the assets of our company and always tries to protect these from misappropriation, loss and destruction. We safeguard and make only proper and efficient use of our property and seek to protect property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems.

Intellectual property

Intellectual property is an intangible asset to OPL which is considered to be reserved with utmost sincerity. OPL has full respect for the intellectual property because it plays a significant role in promoting a creative and competitive environment.

OPL's innovation is identified through its intellectual property thus the company is responsible to protect its intellectual property by exercising proper code of ethics. Keeping company related information, trade mechanisms, production techniques, technological development confidential and using the public domain like newspaper or websites as source for gathering general information. OPL ensures to protect its intellectual property by maintaining confidentiality, not allowing any data which is irrelevant to the company and can put the company in risk and taking legal consultations if there is any default in the intellectual property.

Private business opportunities

Employees of OPL are prohibited from taking opportunities that are discovered through the use of company property, information or position, using company property, information or position for personal gain, and/or competing with the company. The extent that an employee learns of an investment opportunity because of their position with the

company, they must not disadvantage fund or client accounts by personally taking advantage of the private business opportunity. In compliance with the ethical code of conduct OPL protects the company's assets and ensures that they are used for legitimate business purposes instead of investing in private interests or activities.

We maintain and present accurate data

Maintain accurate data

The business information that we work with is vital to our success. We at Orion Pharma Limited keep the data in a well organized and easily accessible manner so that it can give us important knowledge for prudent business decisions, playing a crucial role in business growth strategies and financial reporting.

We encourage all the employees to use all of these information wisely and carefully to get the best value from it.

Disclose accurately to the public

Orion Pharma Limited realizes the significant importance of accurate and timely information disclosure for its stakeholders, as the latter make many conclusions and decisions based on these disclosures. We are committed to ensure that timely and accurate disclosure is made regarding all material matters concerning the company, including its financial situation and results.

Cooperating with auditors

Standards require auditors to state whether, in their opinion, the financial statements are presented in conformity with International Accounting Standards or International Financial Reporting Standards and to identify those circumstances in which such Standards have not been consistently observed in the preparation of the financial statements

of the current year in relation to those of the preceding period. Orion Pharma Limited is responsible for adopting sound accounting policies and for establishing and maintaining internal control so that it assists auditors in their responsibilities.

Maintain relationship with regulators

Orion Pharma Limited understands the importance of sound regulatory relationships and acknowledges that getting along with your regulators is crucial for the company. We have a close interaction with regulators in every stage of our development as we are subject to their scrutiny, consent or approval for certain applications. We maintain a free-flowing relationship and involve two-way communication with them.

Retention of records

As per section 181 of the Companies Act 1994, Orion Pharma Limited keeps and retains records and preserve books of accounts along with vouchers relevant to any entry in such books of account.

Information, communication and media

Information is an essential tool for OPL. Effective utilization and dissemination of information can play a crucial role in determining company's potential and its image in the industrial arena.

Communication with the appropriate source in a suitable time with the help of right media is the objective of OPL from the very beginning of its journey.

Employees of OPL remain updated with all information necessary to be circulated in the market through media by staying compliant with the ethical standards of communication.

We are committed to our potential stakeholders

Fair dealings

Orion Pharma Limited operates in full compliance with fair competition and fair dealing in the business environment. All concerned employees are trained to deal fairly with company's customers, suppliers, partners and competitors.

Selecting suppliers

Orion Pharma Limited believes that supplier relationships are critically important to the health of the business and so the company follows a competitive bid process whenever selecting suppliers

and never compromises on quality. We always attain high quality API from world renowned suppliers. We place a lot of emphasis on selecting suppliers who provide good quality goods on a timely manner.

Relationship with environment, employees, customers & suppliers

OPL believes in equal rights of all employees by providing an environment complying with all types of ethical codes regarding employee welfare. Employees are treated with utmost respect, dignity and justice.

Any sort of harassments, discrimination, violence have zero tolerances, and must be reported to the HR for necessary actions to be taken against any violation of the code of conduct. Customers and suppliers are treated with hospitality and providing gifts complying with hospitality code of conduct. OPL aims to do business with full integrity and ethics. It ensures to treat its employees, customers and suppliers reasonably and fairly so that no conflict of interests arise and distorts the code policy.

Furthermore, OPL has an ethical responsibility to protect the environment and comply with environmental laws and regulations. We are committed to the protection of the environment as part of every decision we make. Responsible environmental actions are not only important to our customers, vendors and other key stakeholders; it is the right thing to do. Our goal is to avoid any situation that may lead to unacceptable environmental or health hazards for employees, the public or the environment in general. In addition, environmental laws apply to our operations. We are all responsible for complying with both the letter and spirit of applicable environmental laws and regulations, including the proper use and disposal of materials and waste, including:

- Solid and hazardous waste management
- Toxic substance control
- Expired or damaged inventory

Reporting illegal or non-compliant conduct

Employees at Orion Pharma Limited shall report any practices or actions believed to be inappropriate under this Code or even illegal to their Line Managers or to the HR Department. All complaints in the company are properly investigated and any retaliation is prohibited against any employee for such reports made in good faith.

Complaining formally to the management

Orion Pharma Limited encourages its employees to report and raise their voices whenever an employee may feel that they have been wronged or harassed in any way. All such complaints can be made without any fear of reprisal and with the utmost confidence that the company is an employee friendly organization.

COMPLIANCE WITH LAWS, RULES, REGULATIONS & STANDARDS

Along with following the standards, we prove ourselves as a complaint company and we are assuring our stakeholders that we are conducting our operation and running our business in compliance with all the relevant laws, rules, regulations and standards applicable for our company.



Figure: Compliance Framework of Orion Pharma Limited

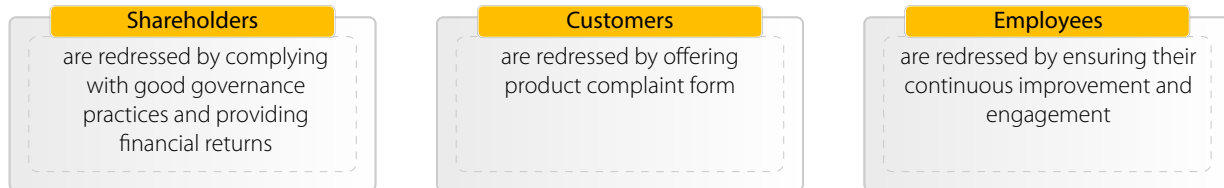
Enforcing compliances in our business and corporate management implies obeying all rules and regulations relevant for the business in a highly regulated industry i.e. pharmaceutical sector. Adherence to compliance issues is a sign of how we are doing business, managing human resources, offering customers quality medicines and acting responsibly.

Various categories like financial and reporting, finance and commercial, labor and employment, company affairs, product & product quality, plant and production and international business conforms to different laws, rules and regulations imposed by the government and regulatory authorities. We are acting in accordance with all relevant laws, rules and regulations including, but not limited to, the following:



REDRESSAL OF GRIEVANCES

Redressal system for potential stakeholders



Shareholders

Investor Grievance Redressal Mechanism of OPL aims at empowering the investors / clients by providing them a mechanism to resolve their complaints against their shareholding. OPL accords highest priority for resolution of investor complaints/disputes and has therefore constituted an Investor Grievance Redressal Committee (IGRC), a part of share department, for redressal of investor complaints / disputes.

Point of contact

For share related queries, shareholders of Orion Pharma Limited can communicate with the point of contact for the shareholders – share department of the organization, and address their queries.

The Investor Complaints / Grievances of the company shall be submitted to the following address:

Orion Pharma Limited
Share Department
153-154, Tejgaon Industrial Area,
Dhaka – 1208
Tel: +88-02-8870123,133, 146
E-mail: orion.share@orion-group.net

Nature of complaints

The share department provides assistance in following types of complaint:

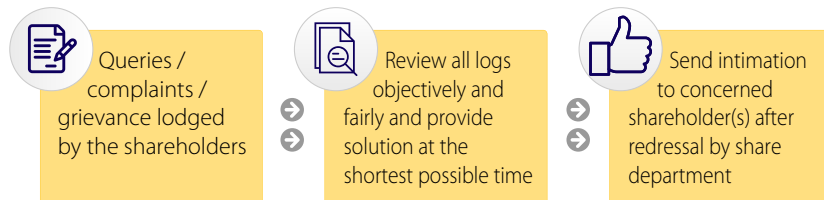
- To receive copies of the Quarterly and Annual Report(s);
- To re-issue dividend warrants;
- To “Demat” paper shares into electronic shares;

- To inspect the minute books of the general meetings and to receive copies thereof; and
- To issue Income Tax Certificate deducted at source on Cash Dividend.

Complaints received and redressed by OPL during the reporting year are as follows-

Sl. No.	Complaints/Grievances	Received	Redressed
1	To receive copies of the Quarterly and Annual Report(s)	34	34
2	To re-issue dividend warrants	87	87
3	To “Demat” paper shares into electronic shares	91	91
4	To inspect the minute books of the general meetings and to receive copies thereof	8	8
5	To issue Income Tax Certificate deducted at source on Cash Dividend	51	51
Total		271	271

Grievance redressal process



The company holds regular Annual General Meeting as per law with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. Shareholders are welcomed to attend the company's interactive and informative Annual General Meeting at which they have the opportunity to ask questions. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness.



Board of Directors, the Company Secretary and the Chief Financial Officer at the 52nd Annual General Meeting

One of our shareholders expressing his views



General Shareholders at the 52nd Annual General Meeting

Customers and consumers

Customers and consumers are the key stakeholders of OPL. Their satisfaction is the foundation for our business growth and expansion. Serving them with the right products at the right time is always our prime concern. We also give high importance to seek their opinion or complaints about our products and to gauge how the company is perceived by our customers and consumers. In line with this, product complaint forms are available and also customer satisfaction surveys and market surveys are carried out and the findings are considered to improve our business, products and/or overall customer experience.

Employees

Employees are the core internal resources of a company. Therefore,

employee satisfaction is of utmost important for us. Keeping employees motivated and satisfied is one of the key jobs of our Human Resource department. Our management is always open to hear from the employees and we arrange monthly view exchange meetings with the employees. We can proudly say that we continuously pursue for the wellness of our employees to make relationship smooth and flexible. We want to make them feel respect and trust, while working in a safe environment, with good pay and opportunities to develop.

The company aims to earn the trust of the potential stakeholders by regularly engaging with them, facilitating a mutual understanding of respective objectives and ensuring effective communication throughout the course of the year.



Employee sharing his views at the Coordination Meeting held at Utshab Hall, Radission Blu, Dhaka, Bangladesh

In promoting effective and transparent communication with all the potential stakeholders and ensuring consistency and clarity of disclosure at all times, OPL always keeps its as well as Group's websites updated. All stakeholders have access to the Annual Report and

accounts and other Price Sensitive Information about the company, through the website.

Quarterly, Half-yearly and the Annual Financial Statements are posted at company's website to keep all the

stakeholders informed about the financial performance and position of the Company. Other than financial information, stakeholders can get ideas on other activities performed by the company.



Participants of the Coordination Meeting held at Utshab Hall, Radission Blu, Dhaka, Bangladesh

MEETING

53rd Annual General Meeting

FOR


the shareholders of
Orion Pharma Limited


SCHEDULE


will be held at Officers' Club, 26,
Baily Road, Ramna, Dhaka-1000,
Bangladesh on December 10, 2018

Queries for AGM

Share Department

 Tel: +88 02 8870133-34 Ext- 160-62

 Fax: +88 02 8870130

 E-mail: orion.share@orion-group.net

NOTICE OF THE 53rd ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd ANNUAL GENERAL MEETING (AGM) of the Shareholders of Orion Pharma Limited will be held on Monday, December 10, 2018, at 11.00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000, Bangladesh, to transact the following businesses:-

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on June 30, 2018 together with the Auditors' Report and Directors' Reports thereon.
2. To declare dividend for the financial year ended June 30, 2018.
3. To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
4. To consider the appointment of New Independent Director of the Company.
5. To appoint External Auditors and to fix their remuneration for the financial year 2018-2019.
6. To appoint Corporate Governance Compliance Auditors and to fix their remuneration for the financial year 2018-2019.
7. To transact any other business with the permission of the Chair.

By Order of the Board

Date: November 25, 2018
Dhaka

Sd/-
Md. Ferdous Jaman
Company Secretary

Note:

1. "Record Date" shall be November 22, 2018 (Thursday).
Shareholders whose names appeared in the Depository on the Record Date will be eligible to attend the meeting and will qualify for Dividend.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, duly stamped (BDT. 20.00), must be deposited at the Company's Corporate Office not later than 48 hours before the time fixed for the meeting and in default, Form of Proxy will not be treated as valid.
3. Annual Report, Attendance Slip and Proxy Form along with the notice are being sent to all the members through post/courier service. The members may collect the Annual Report or the Proxy Form from the registered office of the Company. Admission into the venue of the AGM will be allowed on the production of the Attendance Slip/Proxy Form sent with the Annual Report.
4. Members are requested to notify change of address if any, to the Company.

Attention : As per BSEC Guidelines, the Shareholders shall not be entertained with any gift/food item in the ensuing AGM

Fulfilling the extraordinary features against
RTIs & DFI



In Search of Excellence

www.orionpharmabd.com

ORION
Pharma Ltd.
Tejgaon, Dhaka, Bangladesh

Strong Protection Against Pathogens

Co-axet
Cefuroxime Axetil & Clavulanic Acid

Cefixime
Truso

MAXIMOX
Moxifloxacin

cefditor
Cefditoren

Azithromycin
Azalid



In Search of Excellence



OUR SIX CAPITALS
Drivers of value creation

1 Strengthening financial stability through steady flow of funds



Financial Capital



is the pool of funds available to an organization, including both debt and equity finance, for use in the production of goods or provision of services.

2 Exploring opportunities as per medicinal needs



Intellectual Capital



is the knowledge based intangibles that provide competitive advantage including intellectual property, brand and reputation.

3 Maintaining quality throughout the manufacturing process



Manufactured Capital



is the manufacturing physical objects that are available to the organization for use in the production of goods and provision of services.

4 Enhancing productivity through training and motivation



Human Capital



is the people's competencies, capabilities and experience and their motivations to innovate.

5 Engaging with society to uphold value and collective growth



Social & Relationship Capital



is the relationship established within and between communities, group of stakeholders and other networks and the ability to share information to enhance individual and collective well-being.

6 Utilizing the natural resources in a sustainable manner



Natural Capital



is the group of all renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization.

FINANCIAL CAPITAL

Financial capital represents the fund used to facilitate the process of building and strengthening the foundation for our ability to develop and create value for our providers of fund. The main sources of this capital are equity, debt, earned surplus etc. which are raised through the financing, operating and investing activities.

After deduction of the dividend for shareholders, the surplus earning generated from business activities is ultimately making our financial capital base stronger and this is the main source of internal fund raising.

We are operating in a capital-intensive pharmaceutical industry and are now in the business expansion stage for which OPL tends to retain more of its earnings to reinvest it rather than paying them out to shareholders.

Other than internal fund raising option i.e. retained earnings, we also focus on availing long as well as short term loan facilities from different banks as we are expanding our business operation by increasing our product lines. Financing via Export Credit Agency (ECA) is

The strategic use of financial capital drives business growth and profitability. Business expansion through the commencement of Pharma Park (new manufacturing plant) requires huge capital investment which is being sourced from both local and foreign institutions.

currently one of our key external funding options.

We plan the effective utilization of our financial capital and try to maintain optimum capital structure. We analyze various factors for the selection of fund providers particularly for loan facility, including project financing and working capital loan. Major issues considered regarding the fund provider institutions includes but not limited to the following -

- Capital base
- Credit line with foreign banks
- Credit rating
- Management team
- Branches nationwide
- Branches worldwide

- Liquidity
- Funded & non-funded exposure as per Basel iii
- Interest rate
- Ownership structure

However, we are constantly focusing on our actions to sustain growth, develop operations and ensure the highest return for the shareholders and strengthen the financial position. Funds generated are being used for the maintenance of regular business operation, repayment of loan along with interest expenses, investing activities and dividend payment.



The overall financial performance for the FY 2017-18 is available in the Performance and Financial part on page 178-309



Changes in financial capital during the reporting FY

During the report FY, along with the continuation / renewal / extension of existing loan facilities (both of long term loan and working capital loan), two (2) major changes occurred in the financial capital position of Orion Pharma Limited.

- Orion Pharma Limited got sanction of a term loan from Agrani Bank Limited, Bangladesh on August 23, 2017 amounting BDT 3,310 million for BMRE purpose. Repayment will be made over seven (7) years, in 28 equal and consecutive quarterly payments. The loan facility has already been availed partially during the year under review.
- Orion Pharma Ltd. entered into a loan agreement with ODDO BHF Aktiengesellschaft, Frankfurt am Main Federal Republic of Germany to borrow up to USD 34.28 million (consisted of 85% of equipment value of USD 37.54 million + ECA premium USD 2.375 million) to finance the purchase of new plant and machinery from Ferrostaal Equipment Solutions to expand its production facilities on December 07, 2016.

The loan was sought in order to purchase hi-tech machineries for specialized products amounting USD 37.54 million from ODDO BHF Aktiengesellschaft on January 10, 2017. It has been covered by German Export Credit Agency Euler Hermes against a

premium of USD 2.375 million. The subsequent Bangladesh Investment Development Authority approval (BIDA) required to avail the loan was received on February 22, 2017.

So the contract with Ferrostaal Equipment solutions was revised for the same amount, i.e. USD 40.90 million on November 01, 2017 covered by Euler Hermes against a premium of USD 2.637 million. So, consequently the loan agreement with ODDO BHF Bank Aktiengesellschaft, Germany has been revised to USD 37.40 million (consisted of 85% of revised equipment value of USD 40.90 million+ ECA premium USD 2.637 million) from USD 34.28 million on February 23, 2018.

The subsequent BIDA approval regarding changes in contract value was received on 15th April, 2018. Another BIDA Approval has been received supporting the change of term "management fee" to "co-ordination & structuring fee" and the extension of availability period from 18 months to 40 months on June 26, 2018.

The first down payment for Chunk -1 to Ferrostaal Equipment Solutions amounting 15% of the contract value USD 2,417,139 has been remitted on July 2018.

Key Performance Indicators (KPIs)

• Long term loan

a) Local loan

Agrani Bank Limited sanctioned a term loan on August 23, 2017 for the amount of BDT 3,310 million for a period of 7 years for BMRE purpose.

b) Foreign financing

The loan agreement with ODDO BHF Bank Aktiengesellschaft, Germany has been revised to USD 37.40 million from USD 34.28 million on February 23, 2018.



Details on liability position for the financial year ended June 30, 2018 are disclosed in Audited Statement of Financial Position on page 220



Details on financial performance for the financial year ended June 30, 2018 are disclosed on page 222

INTELLECTUAL CAPITAL

The striking evidence of our intellectual capital is the knowledge, experience, expertise nurtured by the human resources or human capital of Orion Family as well as the exclusive skills and competencies inherent in our Research and Development (R&D) personnel. The human resources part has already been depicted in human capital. Under Intellectual capital, our R&D department's activities and KPIs are portrayed.

R&D Department is one of the vital parts of a pharmaceutical plant. Research and Development Department is a key of Innovation and is situated at the front end of the Innovation life cycle. Innovation builds on R&D and continues up to commercialization phases.

In Orion Pharma, R&D team consists of registered, well qualified and experienced professionals with the equipment of state of art technologies to increase productivity with high quality product.

Our R&D department is coupled with well- equipped laboratories and best talented technical officials who are constantly working with other departments to churn out the ultimate quality products.

Our R&D team is fully dedicated to improving the existing product quality by applying research in the area of pharmaceutical product development. In its essence, developing new products are the ongoing jobs of this department.

Their adequate knowledge and the concept of implementation helps to design future development & span the development of differentiated products, such as lyophilized injections, nasal sprays, oncology, hormone etc.

Objectives considered for the development of products

The strategies of R&D team for the

development of new products focus on:

- Providing the best formulation ensuring with the maximum product stability.
- Providing an improved formulation with greater patient acceptability
- Minimizing the product cost.
- Designing eco-friendly formulation.
- Maximizing the productivity.
- Easing the manufacturing process.

Over the years, we have developed expertise; gathered experience in



chemistry, analytical techniques, and dosage forms and our research strategy and implementation are well supported by these expertise and experience.

Our research and development capability has not only earned significant revenue in terms of business, but also helped us to achieve an enviable reputation for our quality and capability. The proof behind this is that there are various products that we have developed for the 1st time in Bangladesh. There are also some medicines that Orion has developed for the first time in Bangladesh as a 'local manufacturer'.

Our R&D team constantly works towards developing products that support our vision of becoming a world-class pharmaceutical company. Their adequate knowledge and the concept of implementation helps to design future development & span the development of differentiated products. The construction facility for the differentiated products especially oncology, hormone & cephalosporin is going on at our pharma park. Our R&D team has already started the development work on such types of products so that there will be smooth supply in the market after completion of the project.

We have built up a sophisticated R&D center equipped with state-of-the-art equipment and facilities in the Orion Pharma Park at Siddhirganj, Narayanganj. In our R&D center, we also have a separate Galenical and analytical

laboratory. Our Galenical laboratory is equipped with all the necessary machinery & equipments of GMP standard in small scale to develop products.

Product development status

In last year's annual report, we showed a list of products on which our R&D team was working. The list is as follows:

- Alogliptin Benzoate 6.25/12.5/25 mg Tablet
- Alogliptin Benzoate 12.5 mg + Metformin Hydrochloride 500 Tablet
- Sofosbuvir 400 mg Tablet
- Sofosbuvir INN 400mg + Velpatasvir INN 100mg Tablet
- Nitroglycerin USP 0.4% Ointment
- Retapamulin 1% w/w Ointment, 10 gm
- Clindamycin Hydrochloride USP Injection 300 mg/ 2 ml

Among these seven (7) products, five (5) have already been developed and the development work for the remaining two (2) medicines are under process.

Key Performance Indicators (KPIs)

Our R&D team is currently developing some new drug substances as a part of the new product development. Some of the products have already been developed and some are under development process.

A list of drug substances on which R&D team is now working is presented here:

- Calcium Carbonate (Coral source) 500 mg + Vit D3 200 IU Tablet
- Doxofylline 400 mg SR Tablet
- Cilnidipine 5 mg & 10 mg Tablet
- Astaxanthin 2 mg & 4 mg Capsule
- Orlistat 120 mg Capsule
- Doxylamine succinate 10 mg + Pyridoxine Hydrochloride 10 mg Tablet
- Mirabegron 50 mg SR Tablet
- Piracetam 800 mg + Citicoline 500 mg Tablet
- Tofacitinib citrate 11 mg Tablet

Establishing the competitive advantage through product strategy, particularly **building brand or flagship portfolio**, is another category of measuring the key performance of intellectual capital. As on June 30, 2018, 19 products are being recognized as our flagship products among 231 products.

Antibiotics

Co-AXET[®]
Clavulanic Acid & Cloxacillin



Pharyngitis/Tonsillitis, Otitis media, Sinusitis, Acute bronchitis

cefditor[®] 200
Cefdinir 200 mg Tablet



Lower respiratory tract infections, abdominal pain, urinary tract infection, fever

Meromax[®]
Meropenem USP 500 mg & 1 gm IV Injection



Septicemia, meningitis, Lower respiratory infections, pneumonia

Vertex[®]
Ceftriaxone IP



Lower respiratory tract infections, Otitis Media, UTI, Gonorrhoea, Septicemia

MAXIMOX[®]



Acute Exacerbation of Chronic Bronchitis, Acute Bacterial Sinusitis, Complicated SSTI, Uncomplicated SSTI, Complicated Intra-abdominal Infection, Diabetic Foot Infection

Antiulcerants

Rocap[®]
Esomeprazole



Benign gastric and duodenal ulcers including those complicating NSAID therapy, erosive reflux oesophagitis and for disorders associated with hypersecretion of gastric acid, such as the Zollinger-Ellison syndrome.

Exor[®]
Esomeprazole



Treatment of Gastroesophageal Reflux Disease (GERD), Healing of erosive esophagitis, Maintenance of healing of erosive esophagitis, Symptomatic relief of Gastroesophageal Reflux Disease (GERD), Risk reduction of NSAID associated gastric ulcer, H. pylorieradication (Triple therapy)

Vitamins & Minerals

pep[®]
Zinc Sulphate



Impaired immune function, diarrhoea, pneumonia, common cold, growth retardation, loss of appetite

Haematinics

Feroven[®]
Iron-Ornithine LSP
100 mg / 5 ml Injection



Rapid supply of iron in emergency conditions such as anemic pregnant women, women of child bearing age especially those with heavy menstrual loss, frequent blood donors

Antioxidants



Coronary Heart Diseases, Stroke, Early aging, Atherosclerosis, Diabetic mellitus, Tumors and cancers

Antihypertensives



Congestive heart failure, essential hypertension, edema, ascites due to liver cirrhosis

Antithrombotics



Ischemic events, Myocardial Infarction, Ischemic Stroke, Acute Coronary Syndrome, Peripheral vascular diseases

Antihistamines



Seasonal and perennial allergic rhinitis, such as sneezing, nasal discharge & itching, congestion/stuffiness, ocular itching, tearing and redness, itching of palate and coughing

Anticancer



Philadelphia chromosome positive chronic myeloid leukemia in all 3 phases, gastrointestinal stromal tumors

Antacids & Antiflutulant



Hyperacidity, gastric and duodenal ulcer, gastritis, heartburn, dyspepsia, gastroesophageal reflux. Novelta is also indicated for the relief of flatulence, abdominal distention and windy colic

Antispasmodics



Gastroenteritis, enterocolitis, diarrhea, cholecystitis, dysentery

Bone modulating agent



Prevention and treatment of osteoporosis both in women (especially postmenopausal) and men

Lipid lowering drugs



Diabetic or Cardiac patient with High Cholesterol level, any patients with High Cholesterol level

NSAID



Low back pain, rheumatoid arthritis, osteoarthritis, post-operative pain

Our **first-to-market** products include first time manufactured and first time locally manufactured medicines in Bangladesh.

First time in Bangladesh

pep[®]

EC-Plus[®]

Frulac[®]

Deslor[®]

Alve[®]

Novelta[®]

Tendonil[®]

cefditor[®] 200

Locally first time in Bangladesh

Onium[®]

Nervex[®]

WE ARE NOW ISO 9001 : 2015 CERTIFIED



MANUFACTURED CAPITAL

In order to meet the growing demand for our products in both domestic and international markets, Orion Pharma Limited makes the best and effective use of our manufactured capital. Not only do we use the best technology available, we also implement the most professional approach when using the various machineries and equipments.

From production to packaging, we have ensured that an array of high quality pharmaceutical machineries and equipments are installed and available and also are being operated with greater efficiencies and business excellence. This is mainly aimed at focusing on continuous improvement in our production facilities and capabilities.

Production plant

The new manufacturing plant of OPL is located in Siddhirganj, Narayanganj. Pharmaceuticals produced at the existing plant and to be produced in

Sustainable Development can be achieved through the timely investment and efficient use of manufactured capital in production process enabling us to deliver quality medicines to our consumers worldwide.

the new plant is destined for all existing and emerging markets around the world. Both of our plants use the latest technology, with automatic control and supervision systems.

OPL's new multiple formulation facilities are being constructed using the latest technologies so that it would be in compliance with the 'Current Good Manufacturing Practices' standards of international regulatory authorities like USFDA, UK MHRA, EU, WHO etc. In addition, the said facility will also comply with local regulatory authorities and meet statutory requirements.

We always use the best machines and plants in order to produce world-class medicines for our consumers. Shifting in our new pharma plant results in increased production capacity, compliance with more regulatory requirements, safeguarding the environment, safety and health protection of employees in the workplace and environment. Beside new plant we are continuously improving our existing facilities as well.



Production capacity

In order to achieve the targeted growth, Orion Pharma Ltd. has increased the production capacity of existing plant by procuring high capacity, sophisticated, 21CFR part 11 FDA regulated compliant production machinery. OPL is also setting up multiple formulation facilities at Siddhirganj, Narayanganj. The first phase of this project has already been completed and is ready for operation. After operation of the new plant, the installed production capacity will be as following:

- **Number of tablet:**

70,750,000 units per month

- **Number of Capsule:**

18,375,000 units per month

- **Number of Oral Liquid:**

1,500,000 units per month

The second phase setup of the park will have High-tech product, Oncology, Hormone, Sterile, Cephalosporin, Cream & Ointment facility. Construction of second phase of Pharma Park is going on in full swing and selection of the production and QC equipment has been completed.

After operation of the second phase of Pharma Park, the installed production capacity will be as following:

Cream & Ointment products:

1. Number of Tube (Steroid) :
250,000 unit per month

2. Number of Tube (Non Steroid) :
200,000 unit per month

3. Topical products :
50,000 unit per month

Cephalosporin Products:

1. Number of tablet :
4,320,000 unit per month

2. Number of capsule :
3,750,000 unit per month

3. Powder for Suspension :
396,000 unit per month

4. Sterile Dry Powder in Vial :
316,800 unit per month

Oncology/Anti-Cancer Products:

1. Number of tablet :
1,000,000 units per month

2. Number of Capsule :
500,000 units per month

3. Number of Prefilled Syringe :
100,000 units per month.

4. Number of Lyo & Liquid Vial :
350,000 units per month

Hormone Products:

1. Number of tablet :
30,000,000 units per month

2. Number of Capsule :
2,500,000 units per month

3. Number of Liquid in Vial:
150,000 units per month

Sterile Products (Dry vial, Liquid vial, Ampoule & Prefilled syringe):

1. Number of Dry Powder in Vial :
480,000 unit per month

2. Number of Liquid & Lyo Vial :
300,000 unit per month

3. Number of Prefilled syringe:
280,000 unit per month

4. Number of Liquid in Ampoule :
1,500,000 unit per month

Key Performance Indicators (KPIs)

Specialities

- Tablet counting line with auto counting, pouch desiccant & induction sealing with auto rejection and jamming sensing.
- Tablet & capsule machine is capable for automatic product sampling for In process quality control in order to ensure quality.
- Capsule machine has the features of automatic powder and capsule loading with automatic metal check & polishing facility.
- Tablet & Capsule machine is 21 CFR part 11 & GAMP 5 compliance machine.
- Liquid line with no bottle no filling, no bottle no labeling.
- Closed granulation system for conventional products.
- Blister machine has the features of camera inspection & individual blister.

Key Performance Indicators (KPIs)

- Awarded with ISO 9001: 2015 certificate
- Improvement of existing facilities
 - Addition of new sophisticated equipments
 - Updating the system considering recent regulatory requirements
 - Trained up personnel
- Production in last five (5) years
 - Tablet & Capsule

Unit in million pcs

2017-18	480.57
2016-17	407.53
2015-16 (18 months)	703.32
2014	380.20
2013	382.45

- Oral liquid, injection, PFS, cream and ointment

Unit in million pcs

2017-18	16.20
2016-17	12.46
2015-16 (18 months)	22.30
2014	12.47
2013	12.31

Safety provision

Our existing plant follows the modern concept of safety guidelines to ensure zero harm. The following aspects are being followed especially:

- Fire Safety
- Safe Handling of Hazardous Chemical
- Safety on Electrical Wiring
- First Aid
- Emergency Eye Wash
- Emergency Wet Shower
- Electrical Safety
- Emergency Accident Management System
- Personnel Safety and Hygiene
- Packing and Labeling of Hazardous Chemical
- Safety Guideline for the contractors working at site

The Siddhirganj plant has been designed following the modern concept of safety guidelines. The safety team will be trained specially on all the safety issues with respect to Pharmaceutical Plant Operation and will coordinate and train up manpower for precautions and measurements of hazardous condition. A Standard Operating Procedure (SOP) on safety guidelines must be followed by each and every person in the Plant.

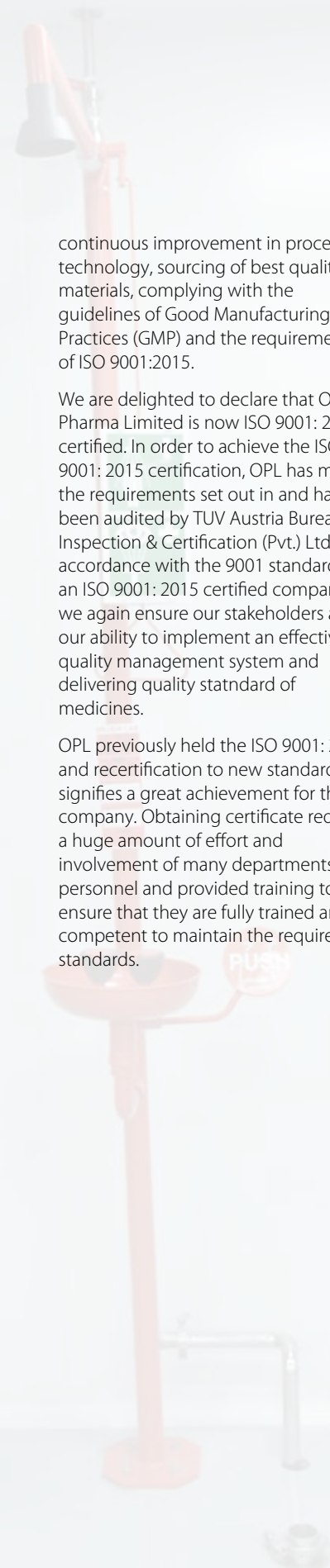
Quality policy

Orion Pharma Limited is dedicated to serving its valued customers with products of excellent quality, through







continuous improvement in process & technology, sourcing of best quality raw materials, complying with the guidelines of Good Manufacturing Practices (GMP) and the requirements of ISO 9001:2015.

We are delighted to declare that Orion Pharma Limited is now ISO 9001: 2015 certified. In order to achieve the ISO 9001: 2015 certification, OPL has met the requirements set out in and have been audited by TUV Austria Bureau of Inspection & Certification (Pvt.) Ltd. In accordance with the 9001 standards. As an ISO 9001: 2015 certified company, we again ensure our stakeholders about our ability to implement an effective quality management system and delivering quality standard of medicines.

OPL previously held the ISO 9001: 2008 and recertification to new standard signifies a great achievement for the company. Obtaining certificate required a huge amount of effort and involvement of many departments' personnel and provided training to ensure that they are fully trained and competent to maintain the required standards.



Key manufacturing facilities, equipments and technology

Facilities	Equipments	Technologies
<p>Tablet</p> 	<ul style="list-style-type: none"> • High shear mixer • Fluid bed dryer • Ibc blender • Fette tablet press • Manesty tablet press • Pam glatt coater • Blister packing machine 	<ul style="list-style-type: none"> • Sophisticated modern machine for pharmaceutical tableting & packaging technology • 21 CFR part 11 & GAMP 5 compliance machine. • Capable to automatic product sampling, In process control in order to ensure quality.
<p>Capsule</p> 	<ul style="list-style-type: none"> • Ibc blender • Automatic capsule filler • Blister packing machine 	<ul style="list-style-type: none"> • Encapsulation technology with automatic sampling & In process quality control
<p>Powder for suspension</p> 	<ul style="list-style-type: none"> • Ibc blender • Augur filler 	<ul style="list-style-type: none"> • Accurate powder for suspension filling technology
<p>Oral liquid</p> 	<ul style="list-style-type: none"> • Mixing vessels with online homogenizer • Automatic liquid washing, filling 	<ul style="list-style-type: none"> • Liquid mixing & filling technology with homogenous and fine particle size distribution • Automatic washing, filling & labeling without hand touch
<p>Cream and ointment</p> 	<ul style="list-style-type: none"> • Emulsifier • Tube filling machine 	<ul style="list-style-type: none"> • Emulsification technology for preparation of Cream & Ointment
<p>Injection</p> 	<ul style="list-style-type: none"> • Vial filling machine • Ampoule filling machine 	<ul style="list-style-type: none"> • Aseptic technology for vial and ampoule filling

Manufacturing process

Input stage

- Receiving of raw material (API & Excipients) and packaging material and performing receiving inspection as per Standard Operating Procedure (SOP), keeping record accordingly.
- After receiving inspection, the material is kept in 'Quarantine area' fixing the Quarantine label and at the same time the store officer informs QC department about the material and collects sample for analysis.
- As soon as information slip is received from warehouse, the QC officer collects sample as per SOP.
- After collecting the raw materials, the QC officer performs the identification, potency determination and other necessary tests of the material and prepares a report of the same and takes approval from QC.
- After analysis and approval from QC, the respective QC officer fixes QC pass label on the container.
- When the QC officer fixes the QC pass label, the store officer shifts the material from Quarantine to specific area for material preservation.
- QC department also gives a retest schedule after certain interval for evaluation of the quality of the materials.

Handling and storage of raw and packaging material



- Production department issues an online requisition to warehouse for material issue of a product to be produced and at the same time issues a Batch Manufacturing Procedure of the same product.
- As soon as the warehouse receives the online requisition of the products, the store officer collects the material as per BOM (Bill of Material) and prepares the dispensing room for proper condition and maintains various records according to SOP.
- Both Store officer & OC Officer check the cleanliness and proper temperature, humidity and other necessary conditions for dispensing and give approval for dispensing.
- Dispensing operator weighs the material as per requisition and store officer and QC officer check the weighing activity and ensure the right material and right quantity in right container.
- After dispensing, production officer collects and does the weighing back of the material.

Transfer of materials to production department



Process stage

- Production officer prepares the room and machine for the next product according to plan. Both production officer and IPC officer check the cleanliness and ensure the absence of previous materials and finally they give approval for production.
- Products are produced into six delivery system or dosage forms which are tablet, capsule, dry syrup, oral liquid, cream & ointment and injection. Manufacturing procedure of every dosage form is different.
- The medicinal product is processed according to validated standard written procedure.
- The production operator and officer follow the written SOP and keep record their activity in the blank.
- During production, Quality Assurance Department checks the In process Quality at every step of the manufacturing and ensures the quality in every steps.
- After completion of every sub process, QA collects sample for analysis and sends to QC department for evaluation.
- After evaluation, the QA department fixes the passed label on the container and gives approval for next steps.
- Both production and QA officer also maintain and ensure the prerequisite environment and regulatory condition of the products.

Production process



Output stage

- After packaging of the product, it is called finished product. The QA Head reviews all the relevant documents and if it is satisfactory then she/he gives approval for distribution or sales.
- QA department also keeps the representative sample from every batch up to shelf life for monitoring of the batch which is already distributed for sales.
- QA department also performs the real time stability study up to shelf life for further development.
- Before launching of a new product, R&D department develops the new products and performs accelerated and real time stability study.

Final products



Fire detection and fighting system

Intelligent addressable fire detection system is used. All the areas including production, warehouse, and utility areas are covered by smoke detectors and heat detectors.

Additional initiatives to be adopted at Siddhirganj plant

In addition to the use of smoke detectors and heat detectors, Manual Pull station will be provided in each zone along with annunciation. It will be integrated with BMS so that in case of fire respective area Air Handling system is automatically shut down in order to control the Oxygen supply to the area. High pressure fire pumps along with standby pump and jockey pump will be installed to fight against fire. Separate Fire Water Reservoir will be kept as per Bangladesh Fire Guidelines.

Environment, health and safety consideration

In recent decades, many environmental problems have increased as the result of human activities and unplanned management of the technological development. Orion Pharma Limited gives utmost importance to environmental protection. We believe that environmental protection should be implemented due to climate changes and floods which affect our country every year. We have therefore designed the production process in the most resource and energy-efficient way as possible.

At OPL the management also focuses on the fact that safe workplace is a key component to developing a positive corporate culture. We abide by the concept that a safe working environment is the right of every employee. A safe and healthy working environment boosts employee morale which leads to employee loyalty, retention and productivity.

We make regular safety assessments and ensure compliance with all existing

laws in the field of environmental protection, hygiene and safety at work. We also have adequate risk control measures which are maintained throughout our company.



A detailed report on this has been described under the human and natural capital report on page 95-106 & 129-131

Pest control

Pest control is one of the important programs that is done by a third party professional pest control people in order to avoid insects in the site. Rodent trap is installed at all the warehouse and Insect Electrocuters are being used on the entrance points of each production building. Appropriate written procedure is maintained with regular interval.

Handling of hazardous chemical

A special care and training is given for the safe handling of hazardous chemical. Separate SOP is issued in this matter. In the plant design several measures has been taken into consideration like:

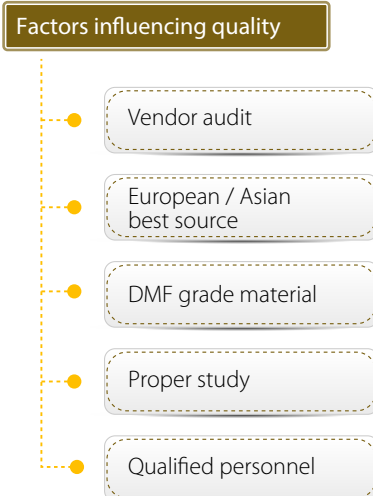
- Solvent usage area with Anti-Static Flooring System
- Solvent Transfer system by Pneumatic driven pumps in order to avoid electrical sparks related fire hazard
- Use of Fume Hoods in all Acid Usage area.

Product quality

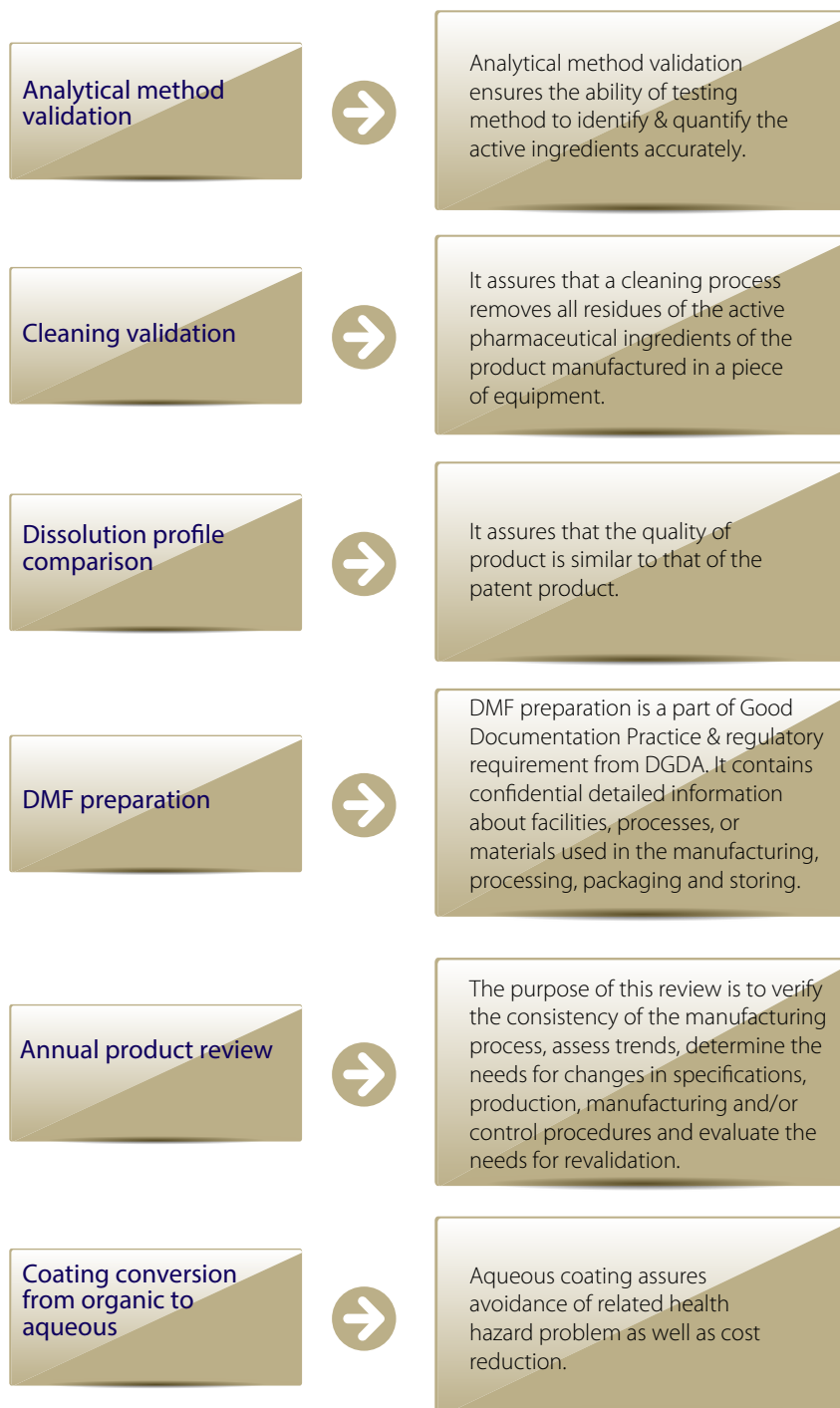
Our journey for maintaining better quality begins from raw material selection process. Selecting DMG Grade material from European or Asian best source and performing vendor audit accurately aid us to ensure best quality raw material sourcing. Proper study, engagement and dedication of qualified personnel result in unique

formulations that make the product incomparable regarding quality.

We always think quality as a subject of continuous improvement. For this, we are taking care to improve quality of existing products through reformulation work to enhance product quality and manufacturing process and also through conversion of Aqueous coating from Organic coating to avoid related health hazard issue and to reduce production cost.



Some other approaches to quality are as follows:



Key Performance Indicators (KPIs)

- **Analytical method validation:**

- Our all analytical method for testing raw material and finished products are **VALIDATED**.

- **Cleaning validation:**

- Our all cleaning methods for equipments are **VALIDATED**. So, cross contamination is not possible during product manufacturing.

- **Dissolution profile comparison:**

- During product development we compare our developed product with Patent / Brand product.

- **DMF preparation:**

- We prepare DMF for all products.

- **Annual product review:**

- We prepare annual product review for all products.

- **Coating conversion:**

- We have identified forty (40) products subjected for conversion from organic to aqueous.

HUMAN CAPITAL

OPL has a group of people whose knowledge, skill, talent and experience are valuable to the economic growth of the company. OPL believes that everyone has potentials but not everyone can perform according to the potential or cannot develop it properly. That is why education and training are needed. It brings the skills out of the employee. So, OPL invests in the education and training of employees to develop the human capital as human capital is one of most significant aspects of OPL to which it pays a lot of emphasis.

OPL considers its human resource as an important value driver from which long term return will be gained. The key human capital factors of OPL are talent, training, experience, health and safety, absenteeism, working conditions, labor relations, diversity, values, culture and leadership.

The investment on human capital, the most valuable resource, is considered to be the best capital because it creates value for long time and makes no decrease in growth rather increases over time.

OPL further believes that the success of the company accelerates stimulating, calm and healthy work environment. Our employees are the greatest asset of our company and they are the ones who work hard and soul to attain our goal. So our aim is to not only invest into the business and market but also in their human, professional and skill development.

Equal opportunity and diversity

OPL considers its employees as the best asset of the business. As a part of sustainability, OPL is committed for establishing equal employment opportunity for its valued employees.



OPL strictly maintains an equal and diverse work place free from gender, age or race discrimination, hostility, and any kind of harassment with respect to religion, ethnicity, sexual orientation, or minority.

Our job opportunity remains equal for all qualified persons regardless their religion, race or gender. Nepotism and lobbying both are avoided in case of choosing or promoting employees. The promotion is also based on the performance of the employee.

Therefore, career development is equally open for each employee and OPL values and rewards the positive contribution of the employees' regardless of the position or designation.

OPL has focused on diversity in workplace from the beginning. Our broad geographic footprint implies that we serve a diverse group of communities. Diversity in workplace is the key factor to success. Different people from different culture, background, gender and age work under the same roof. So the outcome from their work is more vivid and accurate as the work has been stimulated from different angle.

Diversity in workplace helps stimulate different ways of thinking and accumulate knowledge which expands scope of innovation and results in opportunities. OPL tries to create diversity in management and operational teams. To have a close look at the diversity, OPL keeps record on some human capital indicators like grade, location, qualification so that the data shows the clear view of diversity.

Employee recruitment

OPL has reinforced its position as one of the attractive employers from the time it began its operation. The prominent role played in the field of selection of employees helps OPL to maintain its quality and equality of employees in all its departments. This strong sense of identification is one of the factors contributing to the lower employee turnover within the company which gives OPL a strong image in the field of human resource.

Human Capital Indicators (HCIs)

• Management and Non-management category wise

As on June 30, 2018

Top Management	Manager - Executive Vice President
Layers	5
No. of employees	28
Mid Level Management	Assistant Manager – Deputy Manager
Layers	3
No. of employees	54
Low Level Management	Officer – Senior Executive
Layers	5
No. of employees	1,533
Non-Management	Staff Grade
Layers	4
No. of employees	912

• Location wise

As on June 30, 2018

Head Office	524
Factory	510
Sales	1,106
Distribution	387

• Age wise

No. of employees as on June 30, 2018

30 year & below	978
31 – 40 year	1,061
41 – 50 year	415
51 – 60 year	63
61 year & above	10

• Qualification wise (sampling basis)

% of employees as on June 30, 2018

Professional	01%
Post Graduation	27%
Graduation	33%
Diploma	1%
HSC	10%
SSC	27%

- **Employment policy**

OPL believes in equal opportunity for all, therefore it tries from all aspects to choose the best candidates as employee to ensure high competency and efficiency within the company. OPL prioritizes religions, gender equality, intellectuals and talents while recruiting to ensure high competency and efficiency within the company and in case of special requirements it specifies the gender whether male or female is required for that particular position. In the last quarter of each business year, Human Resource Department consults with all the functional departments for new recruitments and the corresponding departments analyze their business plans for any manpower requirement and then inform HR about hiring new employee/s by submitting approved manpower planning to them.

- **Types of employment**

- **Regular employment**

Under this category, employees are employed with an open ended tenure and eventually become the permanent employees. They are eligible for long term benefits such as Provident Fund (PF), Gratuity etc.

- **Contractual employment**

This type of employees is hired based on a contract for a finite period. Their entitlement for benefits shall be guided by their respective terms of employment with the Company.

- **Casual employment**

Primarily non-management employees who are employed for a specific tenure are called the casual employees. Their entitlement for benefits shall be guided by their respective terms of employment with the Company.

OPL follows two different procedures in terms of hiring for Management and Non-Management Categories. People who are hired for intellectual effort belong to Management Category (Grade: Officer to Director) and for physical labor it is the Non

Management Category (Grade: Staff).

- **Recruitment steps for management category**

- **Manpower planning**

This is the process of determining the number of manpower required and outsourcing planning to meet the forecasted manpower demand which is conducted by HR in collaboration with the corresponding departmental head.

- **Recruitment**

This process is initiated by preparing a requisition form by the specific department which needs to hire new employee. The requisition form contains all the relevant information related to hiring a new employee such as position, job grade, salary range, job specifications etc. HR department will analyze the recruitment requisition form on the basis of manpower planning or feasibility of new position with the clarification from the respective Department Head. After the analysis, HR will take approval from the Managing Director and then proceed for further recruitment process.

- **Sourcing**

This is mainly done to fill up the vacancy with any potential candidates who can be hired both internally and externally by delegating new assignments or promotions. Internal sourcing includes recognizing the potential candidate appropriate for the desired position by the Departmental Heads. By assessing the candidates' eligibility further initiatives are taken based on the result of the assessments. External recruitment is done through advertisement in websites/dailies, CV submission by reference or on circular and also through head hunting agencies.

- **Selection**

This process is mainly to find the appropriate candidate by scrutinizing their present job responsibility,

strength & weaknesses and their competence level. Then it proceeds further by sorting out CVs followed by interview session arranged by the HR department with the approval from higher management.

- **Interview**

A primary interview is conducted to assess the knowledge, skill and attitude of the candidates by the HR Department using standard Interview assessment form which will be further processed for written test or interview as required. Written test is carried out using software based online test and the interview session is taken by the HR Department for all the positions.

- **Compensation & benefits**

HR Department prepares remuneration & benefit package for the newly joined employees in coordination with the Department/Division/Business Head based on their job specifications, positions within the paying ability of the company. A final document of compensation & benefit is signed by the respective Department Head followed by the approval of the Managing Director/Director. Before handing over the appointment letter to the incumbent his/her medical test and Reference Check is required. Upon receiving all the approvals, HR department fixes up the joining date by providing appointment letter to the selected candidates.

- **Placement & induction**

The new employees are required to submit some necessary documents to the HR department. After receiving those HR department welcome them on board and all the formalities are fulfilled.

OPL organizes an orientation program for the incumbent conducted by its corporate training coordinator for three (3) days. This program is designed for the Officer to Senior Assistant Manager of the company which gradually introduces

them to the company, company policies/rules and regulations and all the support services. After successfully completion of the orientation program, the new employees are deployed in his/her respective department.

Remuneration and benefits

OPL believes that to gain sustainability, the company must contribute to the employees considering their needs according to the competitive market. Our philosophy is to make the appropriate compensation to the service they provide the company.

As we emphasize on sustainability, the remuneration system focuses on attracting and retaining them. The remuneration system is designed and reviewed from time to time so that it stands a motivating factor for them. We ensure each and every employee’s right to get paid the right amount at the right time.

Our remuneration structure for salaried employees (including the Executive Directors) contains guaranteed remuneration package (fixed) and variable remuneration. Moreover, different types of other benefits, not a part of remuneration policy, are provided to employees with a view to fostering positive work culture at OPL.

• Remuneration- Guaranteed Pay

The guaranteed pay or the fixed pay is the main part of employees’ remuneration. The amount includes regular benefits, long term benefits and periodical or timed benefits.

Regular benefit is the employee’s salary. Long term benefits are provident fund, gratuity, term life insurance and WPPF. WPPF is provided according to the

Type	Details
Guaranteed pay	<p>Regular basis Basic salary, allowances for house rent, conveyance, medical and utilities.</p> <p>Long term basis Gratuity, contributory provident fund, WPPF and term life insurance.</p> <p>Periodical basis Two festival bonuses, profit participation bonus, leave encashment.</p>
Variable pay (case by case basis)	Increment, overtime allowance, night stay allowance, mobile allowance, field allowance, in-charge allowance, risk allowance, city allowance, laundry allowance, special allowance.
Regular Benefits	Lunch, snacks, transportation, health care, car, driver, car repair and maintenance, product at discounted price.
Other benefits	Donation on death, opportunity to perform Umrah and Hajj.

year’s profit. Periodical benefits include one Eiq-ul-Fitr bonus, one Eid-ul-Adha bonus, profit participation bonus and leave encashment. The guaranteed pay is fixed irrespective of the company’s performance.

• Remuneration- Variable Pay

The Variable pay depends on the circumstances including the job nature and requirement as well as the performance of employees.

It includes increment, overtime allowance, night stay allowance, mobile allowance, field allowance, in-charge allowance, risk allowance, city

allowance, laundry allowance and special allowance. The increment of employees depends on their performance. OPL does recognize its employee’s performance with rewards through yearly appraisal system. It means that a review of remuneration is conducted annually and any resultant increase is effective from January of each year.

Key Performance Indicators (KPIs)

• Change in benefit scheme during the year

Another feather is added with the existing benefit schemes of OPL by signing a Group Term Life Insurance Policy with Delta Life Insurance Company Limited on June 12, 2018 to ensure maximum motivation and morale to accomplish the welfare of the company as a whole. This agreement will ensure the employees with financial benefits in case of death, Permanent & Total Disability (PTD) and Permanent & Partial Disability (PPD). The introduction of this scheme will further increase motivation and productivity to the employees and will assist to achieve organizational goals successfully.

• Regular Benefits

As an employer, OPL tries to ensure and protect the safety and health of everyone in its workplace. The company is always concerned about and focuses on the employees' benefits and facilities so that they can enjoy working, give their best and feel proud to work here. OPL helps the employees to be free from the tension of having healthy food during working hour. It has its own kitchen and provides lunch, tea and evening snacks to all the employees every day including a feast once in a month.

Occasionally, it arranges special festival foods too. Other than healthy food offering, the company provides transportation facility for the convenience of employees' journey.

Also, employees have the opportunity to buy OPL's medicines at discounted price.

In addition to these, another facility "DONATION ON DEATH" is also available for the employees who demise during the time of carrying out his / her job responsibilities.

• Other Benefits

OPL recognizes that money is not the only driving factor to attract, employ, engage and utilize company's human resources. It not only pays the employees for their service but also values employees culturally and socially. As a part of the duty of care that OPL has towards its employees, every year a few numbers of employees, on lottery basis, are sent to perform "UMRAH" during the month of Ramadan and also to perform Hajj at company's expenses.

Employees at Orion also enjoy many other facilities due to its flexible culture and environment that has been developed by the grace of the Top Management.

Furthermore, the company encourages the employees pursuing higher studies to upgrade their qualification and lends a helping hand to them by letting them attend their classes through flexible office timing upon approval from management.



Signing ceremony with Delta Life Insurance Company Limited held on June 12, 2018

Training and Development

Orion Pharma Limited believes that our success in business depends on our employees and staffs as they work on our strategy to attain our goal and maintain our reputation with stakeholders. A group of highly qualified and skilled professionals are working hard to contribute to the business relentlessly. That is why OPL has been maintaining its substantial growth in the pharmaceutical market through continuous improvement in man-machine-mechanism.

Orion Pharma Limited considers that training is not a privilege to be granted rather it should be invested to employees according to their needs. This year, a significant number of training was arranged on their skills development and efficiency development. Seven hundred fifteen (715) number of employees received training through various platforms and professionals.

Training and development is a continuous process in OPL throughout the year so that the continuous improvement of employees is ensured. As a diverse working place, OPL conducts training for ethical, cultural and social interactions. OPL also ensures that the compliance is maintained in each aspects and that is why training on compliance is also provided to the employees. For new employees, our Human Resource Department ensures proper training for their sustainability.

In a competitive market, OPL has to make sustainable human resource as the sustainability of business depends on the sustainability of valued human resource. Hence a delegated and synchronized strategy is compulsory for OPL. The strategy is involved with our people and works through them as well. Our HR strategy is congruent to our market, business, culture and environment.

OPL considers its people as one of the best assets for its business. For us to realize this, we not only attract people and bring them here but also provide them with quality training to develop their career, value the existing employees so that they consider OPL for long time working and inspire them financially and non financially. OPL rewards every success of employees even if it is very small so that they are inspired and continue with their enthusiasm.

• On job training

On-the-job training, in short known as OJT, is teaching the skills, knowledge, and competencies that are needed for employees to perform a specific job within the workplace and work environment. OPL gives its employees the environment in which they will need to practice the knowledge and skills taught in OJT. It occurs within the normal working environment that an employee experiences on the job.

Good Laboratory Practice training session and workshop conducted by Trutech Pvt. Ltd. on February 7, 2018



Key Performance Indicators (KPIs)

• Training provided during the year

- Internal training for field force

No. of employees as on June 30, 2018

Regular training through sales training department	457
Skill development program organized by sales training department	999

- Internal training for new employees

No. of employees as on June 30, 2018

On boarding induction: Orientation program	40
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- Overseas training

No. of employees as on June 30, 2018

Marketing and factory personnel	4
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- External training

No. of employees as on June 30, 2018

Job oriented training	70
Trainings on Leadership, discipline, change management etc.	144

It also occurs as the employee performs actual work, or occurs elsewhere within the workplace using training rooms, training workstations, or training equipment. It is a lucrative opportunity for any employee of OPL to groom themselves according to the company's requirement and criteria with the guidance of their respective supervisors.

• Off the job training

Off the job training includes more general skills and knowledge useful for work, as well as job specific training. This is conducted in separate job environment where there is full concentration on learning than performing. Eligible employees are recommended to undergo off the job training. Trainings are conducted by prestigious educational institutions, training centers, consultancy firms and professional bodies like ICAB, ICMA, ICSB and many others. There are budget allocated especially for these off job trainings.

• Overseas training

Employees are taken abroad to receive overseas training. Those who are in the managerial level are usually considered eligible for these trainings. The company has always strived to arrange different overseas training program to enhance the professional capability of the employees and broaden their international perspectives in the corporate field.

• IT training

Most of the tasks of OPL are IT based and software like Production Management Software (PMS), Biz Motion, Material Management Software (MMS) are used to keep track of the medicines and also the details of the medicines are found in these applications. For this purpose, IT training is relevant to the MPO's and factory personnel on a regular basis

which makes it crucial to every MPO and factory people of OPL.

As a result the company tries to provide effective IT training session to enhance their skills on the job. Other than MPOs and factory people, there is a 3 days general training session on IT for the new employees of OPL being organized to prepare them with adequate knowledge on the application of both software and hardware.

• Behavior & cultural development training

Role of employees in terms behavior and culture is crucial to OPL's human capital development as well as to the company. New employees of OPL are welcomed with an orientation program helping them to get a clear idea about company's culture, working environment, policies and other procedures, their roles and responsibilities etc. Moreover, our company arranges training sessions to provide the employees with effective communication and leadership skills. Recently three (3) training sessions have been conducted for the employees in managerial positions regarding Leadership & Change Management (LCM) which took place in IBA and renowned corporate trainers were there to train them. Training on Development of Discipline & Morality for Effective Leadership was provided to the employees and conducted by BRIDDIHI. Furthermore, OPL has sent its employees to attend a seminar on Document Management System where the discussion was all about creating a paperless environment within the office as OPL is always concerned about being environment friendly.

- **Training as per departmental requirement**

OPL provides both local and overseas training on various issues as required for different departments including plant, quality assurance and R&D personnel. The objective of training is to instill, effectively and efficiently, job-required skills, knowledge, and attitudes to support the manufacturing process. Effective training supports shortened learning curves, increased production rates, increased production quality standards, and enhanced profitability. In case of plant related training, the objective of training is to instill efficiency and enhance job required skills, knowledge and attitude to support the manufacturing process. In case of MPOs, in the initial stage of job, new MPOs are trained with OPL's in-house training on how to make effective sales call. To enhance their selling skills, the experienced trainers are trained in the in-house training on how to achieve sales target & company guidelines for field force. Also executives dealing with export market of OPL were sent for a training held in Bangkok, Thailand to enhance their knowledge and expertise. Also, employees of relevant departments are provided with the training on Labor Law & Human Resource Development to accelerate their job quality.

- **Employee relations**

We are always concerned about the rights and representation of our employees. OPL's management is always open to hear from the employees and we formally arrange monthly view exchange meetings with the employees. As a result of this approach, any collective bargaining from the employees has not been emerged so far. Some individual bargains have been raised but immediately solved through quick negotiation. We continuously pursue for the wellness of our employees to make relationship smooth and flexible. The company encourages an open and honest relationship between

employees and their reporting supervisors hoping that most of the problems can be resolved at this stage.

During the reporting period, OPL had started working on restructuring the office seating arrangement. OPL has opted to slowly shift from the cubicle dwelling and go for a more open-space office structure, as it fosters a friendly, more efficient and generally more humane workplace. This shift towards a more open office has promoted a sense of unity and facilitated collaboration between everyone at the company. Employees now have better understanding among themselves and it also cultivates a sense of community by breaking barriers. As information is distributed evenly throughout a team, this new seating arrangement has also helped to enhance the efficiency of employees.

To take employee relations to a higher level, we at OPL also conduct monthly Coordination Meeting comprising of mid level and top management. These meetings have created a doorway for the Senior Management to know about the opinions of their junior colleagues and work for their needs & concerns.

- **Talent management and succession planning**

Our aim is to become one of the leading pharmaceutical companies in Bangladesh and a leading exporting company. OPL believes that this goal can be gained through its valued employees. So we not only bring the right person for us but also nurture and retain them for our sustainability. Training and development is a continuous process in OPL so that our employees' ability increases with the development of the business. Hence, it is crucial to retain our trained and experienced employees so that they can serve us in the long run.

OPL has invested around BDT 6.44 million during the reporting period for

Key Performance Indicators (KPIs)

- **Modification of monthly performance appraisal system**

OPL has changed its monthly performance appraisal system to WORK STANDARD APPROACH. Under this method, the supervisors discuss openly with their junior colleagues and sets targets against monthly realistic output standards. Each employee has a clear understanding of their duties and knows well what is expected of them.

- **Monthly coordination meeting emphasizing leadership and succession planning**

During this reporting year, OPL initiated organizing coordination meeting on a regular basis. One of the main agendas of this meeting was discussion about the significance of identifying and grooming high potential employees into future leaders. In these meetings, top management and participants shared their views, opinions, proposals, suggestions and made decisions accordingly.

Key Performance Indicators (KPIs)

• Total employment during the year

No. of employees as on June 30, 2018

Full time employees	2,517
Part time employees	1
Contractual employees	9
Casual employees	351
Intern	NIL

• Female participation

% as on June 30, 2018

Female employees	6%
Female in managerial position	8%
Female in Board	43%

• Other HR related parameters

No. of employees as on June 30, 2018

Work related injuries	5
Fatality	0
Employee productivity	0.20
Lost days due to work related injuries	42
Average no. of lost days due to paid and unpaid absenteeism	3.07

training and development. Nurturing talent can double the ability of the employees. 457 numbers of MPOs, AMs and RSMs were trained upto June 2018. On top of that 999 number of MPOs, AMs, RSMs, SMs, ASMs and DSMs received training under a new program introduced during last reporting year named 'SKILL DEVELOPMENT FESTIVAL'.

Also, 214 numbers of employees from different departments were also trained up on leadership, discipline, change management and also on their job responsibilities as per the recommendation of their respective supervisors.

503 number of employees got promotion in January 2018 as a reward of their performance in 2017.

On the other hand, number of people leaving their job is 15% showing a decreasing trend (17% in previous year) in this parameter which is a positive sign for the company. Because of all these positive response from employees, OPL is always eager to increase the investment as the outcomes are positive.

Succession of the existing employees is such an aspect where OPL has been investing more and more. The financial and non financial benefits those are provided to the employees are the part of succession of employees.

OPL's succession planning aims to develop and train its employees with all sorts of skills necessary to enhance the employees capabilities and knowledge so that they are able to implement those in absence of department heads or senior officials especially when they resign/ retire from the company. The leaders are willingly working on grooming their subordinates through regular task assignments, corporate trainings and providing them with the opportunities to utilize their skills and learning in various ways.

To make the succession planning more effective, our company does performance appraisals on monthly basis for all the employees to demonstrate their learning progress

and assess their area of weaknesses so that they can be provided with necessary training to develop themselves further. In this way, OPL is able to create a pool of efficient and reliable employees who will serve the company in near future. Moreover, monthly Coordination Meeting is organized where the agenda is to discuss about these issues so that the leaders get to share their ideas on how to make the succession planning fruitful and beneficial. Therefore, it is believed that our current employees will be serving the growing pharmaceutical company with all the necessary skills taught by their seniors and will maintain the quality of the employee performance just as or beyond that of their seniors.

Health check and awareness program

OPL is promised to be an organization where health of the customers, employees and society members are given the top priority. Since our inception, we have been showing zero tolerance approach to unhealthy practices. In the reporting period, we maintained the same zero tolerance to unsafe practices regarding health issues.

We are carrying out our activities with health compliance and protocol. Our health check program has been carrying out with professional doctors and staffs. OPL has appointed two full time MBBS doctors in the office and first aid box is available in every floor.

Training and awareness are implemented to reduce the incidents that create avoidable injuries. Orion is always concerned about health and safety of employees even though the employees themselves sometimes avoid personal physical safety. This threat has been identified in a small margin but we have increased management supervisory and physical inspection at work time to minimize it.

Employee engagement

At Orion Pharma Limited, we believe that the more an employee feels part of

a community, the more likely it is that they are engaged with what they do. Employee engagement is about understanding one's role in an organization, and making that role aligned with the organization's vision and objectives. An engaged employee always acts as a member of the team and is very focused on the goals to be achieved.

OPL is always committed to provide a workplace where employees remain motivated and engaged because only engaged and motivated employees are capable of giving their full capability. We try to make our employees engaged so that they actively participate in our long term goal attainment. It is our responsibility to make them understand about their role and how their involvement is crucial to us and the most vital thing for OPL is that they think of themselves as a part of the company.

The commitment that our people contribute to OPL is essential to our success. We focus on making our people feel strongly connected to the company because it motivates people to put in extra effort for their organization. In this regard, starting last year OPL has taken this new initiative to measure employee engagement through a survey in which we obtained employee insights. The survey measures our progress in creating a great place to work where people are motivated to give their best. During last financial year, our average employee engagement score was 72 points out of 100. As this is the first time such a survey was conducted, we cannot provide any comparative analysis. However, the management is very eager to continue this trend and also improve it in the future.

We are against child and forced labor

OPL possesses major concern against child and forced labor. There is no child

labor working in the company and the company ensures that no child is being hired. In our plant and corporate office, there is no worker below 14 years because OPL believes this fact religiously that child labor deprives children of their childhood, their potential and their dignity, and that it is harmful to physical-mental development. Therefore, OPL opposes child labor and forced labor and obeys the National Child Labor Elimination Policy. Moreover, we maintain a work environment where all our staffs and employees work willingly. We engage people with motivation instead of force which gives more productivity and success.

Ethical stance in human resource

Our human resource management always works with the responsibility of adding value to our success and we believe without ethical HR practice the success is not achievable in true sense.

So, ethics is one of the core HR practice pillars in Orion. We follow the ethical codes to make OPL a better place for our employees. The basic human and civil rights are strictly followed in OPL so that no employee is deprived of his/her rights. We provide them with proper healthy work place, foods, medical service, working hour as per law and prayer room facilities.

Safe and secured work place is highly ensured at Orion. Smooth and cozy environment is maintained in plant as well as in corporate office. We have our own security team working 24/7 in OPL. It is our ethical binding to provide the employees with safe and sound place to work in.

HR strictly follows confidentiality of the employees while maintaining personal information of recruitment. The personal files of all the employees are

preserved in safe & sound and organized manner. Their other information such as salary, bank and appraisal related information is also kept private and secured. OPL is sincere to keeping its commitment to their employees.

Equal employee opportunity is a part of our ethical stance. Each and every employee is equally treated in OPL. No nepotism or flattery is considered and no unethical appraisal is done as per our best of knowledge. Promotion, increment and reward are also given based on performance. Our human resource practice is carried out with utmost due diligence, fairness and honesty.

Staff wellness

OPL believes that taking care of the wellness of staff can increase the productivity. Health and safety has direct link with the OPL's growth, reputation and productivity. We are always careful that all the health and safety criteria are fulfilled and staffs are provided with enough safety, physical and mental wellness. We yearn to be a healthy and peaceful organization for the staff. This will provide us with better decision and leadership from the staffs.

OPL considers that the wellness of the staff can be done through-

- Physical;
- Intellectual;
- Spiritual;
- Financial;
- Environmental;
- Occupational;
- Psychological; and
- Social care.



● **Physical wellness**



OPL is committed to providing its staff with physical wellness. We have high tech safety equipment for our staff so that the staffs do their job in full safety. We comply with the standard and our plants are also complied with modern safety issues.

Last year there were five (5) work related injuries with no fatalities due to our full attention to the fact of job safety. Absenteeism of worker is insignificant that shows our concern over the wellness which has been strictly followed by the management and staffs. Besides, we have a medical team comprising professional doctor and staffs in the office.

● **Social wellness**



Social wellness of our employees is also necessary. We are concerned with their social value and status and try our level best to provide them with such financial and non-financial benefits to cope up with the prevailing social value.

● **Spiritual wellness**

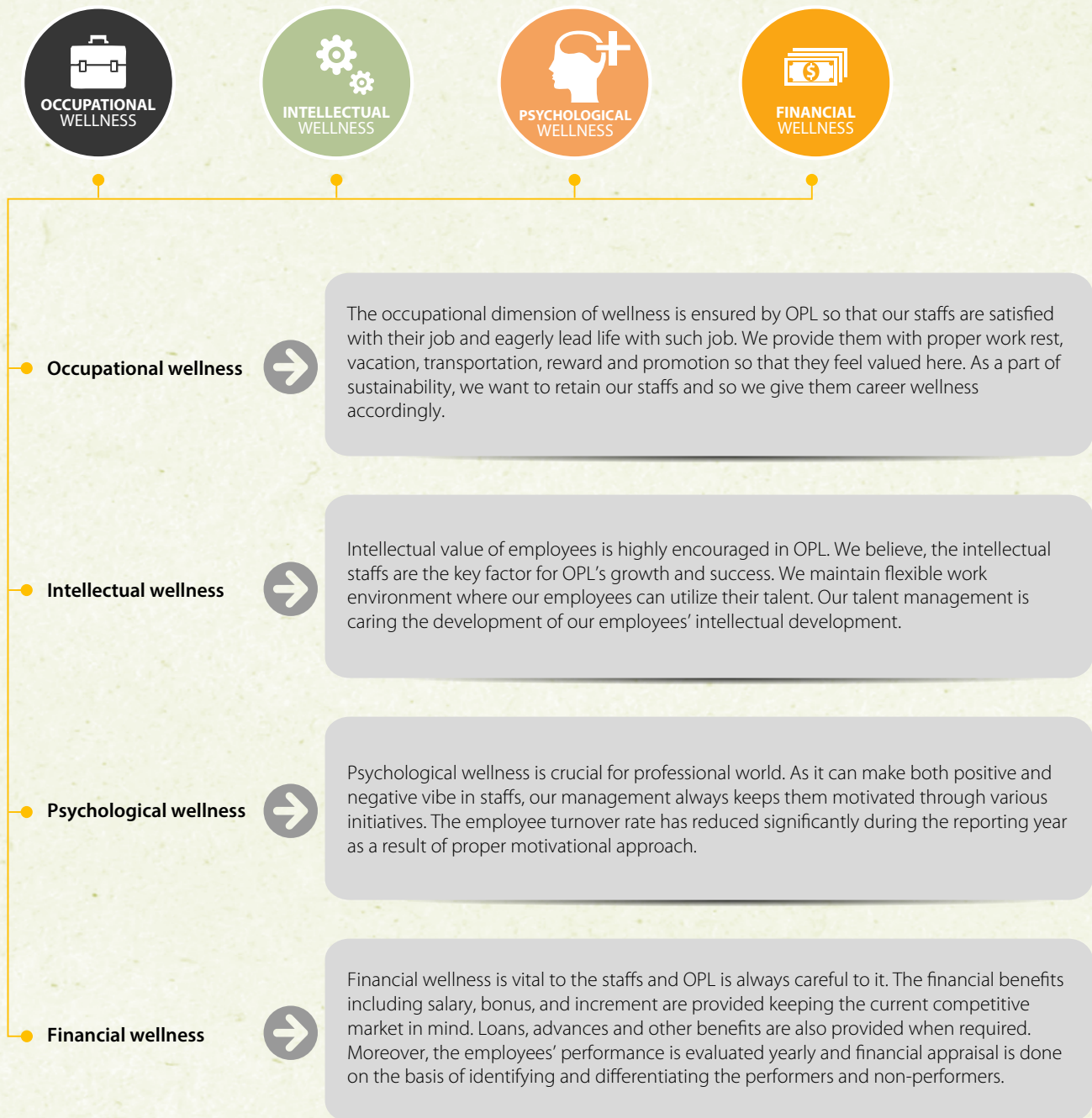


We are careful and respectful towards the spiritual values of our staffs. We are respectful to their belief, religion and religious practice. OPL has provided them with well furnished prayer place. Our lunch is also maintained according to religious belief of employees and foods are prepared keeping that in mind.

● **Environmental wellness**



Environmental wellness is a major concern for OPL. Neat and clean working environment is a pre condition for our staffs. The environment is kept healthy and clean all the time. A significant numbers of cleaners are working to keep the environment healthy and clean. In the plant, the working environment is under compliance.



SOCIAL & RELATIONSHIP CAPITAL

Orion Pharma Limited always gives utmost importance to the social capital. We believe that being a socially responsible business organization not only provides sustainable business models, but also has improved marketing, human resource, employee satisfaction, customer loyalty and brand perception. Concentrating on social capital simultaneously helps to satisfy the demand of potential stakeholders accordingly.

Our overall business operation stands on the idea that businesses should not only be striving to make money but should also bring benefits to the society. Therefore, our main focus has been to develop and operate a business which has a positive impact on the society as well as on the ecosystem.

Our social and relationship capital focuses on strengthening our relationship with potential stakeholders. We also believe that the very reason of our existence is to do much more than making money – solving social and environmental problems.

With a view to supporting social causes, improving community well-being, and/or protecting the environment, OPL has been involved in various types of societal activities as our corporate social responsibility over a long period of time. Corporate social responsibility allows us to do our bit for the society, environment, customers and other relevant stakeholders.

We at OPL feel that we have a responsibility not only towards the

society but also our employees. We promote social responsibility in the workplace as it builds a positive environment for our employees. We also believe that it will provide us long term growth and success by building a warm image of the entity, which is a reflection of the mind-set of the owners of the company.



At OPL we feel that being a responsible participant in the larger society is no longer optional. In order to position our brand as a forward-thinking one, we must take authentic steps to provide solutions to common human problems in the society. Our company's Medical Service Department (MSD) oversees and reviews major portion of CSR initiatives or humanitarian support related activities undertaken during the financial year.

The activities that OPL undertakes are aligned with its strategic business objectives. The areas of priority are:

- Social care and wellbeing
- Improving quality of life
- Community engagement

Orion Pharma Limited has been playing a vital role in performing social and humanitarian responsibilities in health and education sectors and also contributing in livelihoods of the disadvantaged group in the society. We all know Bangladesh is aiming to be entitled as Middle Income Country hence, our company is willing to endeavor in accomplishing the goal in every possible way. OPL does not only want to emphasize in generating revenues, rather it prefers to address the socio-economy, environment, and underprivileged group to bring about welfare in the society with its active involvement in CSR and humanitarian activities.

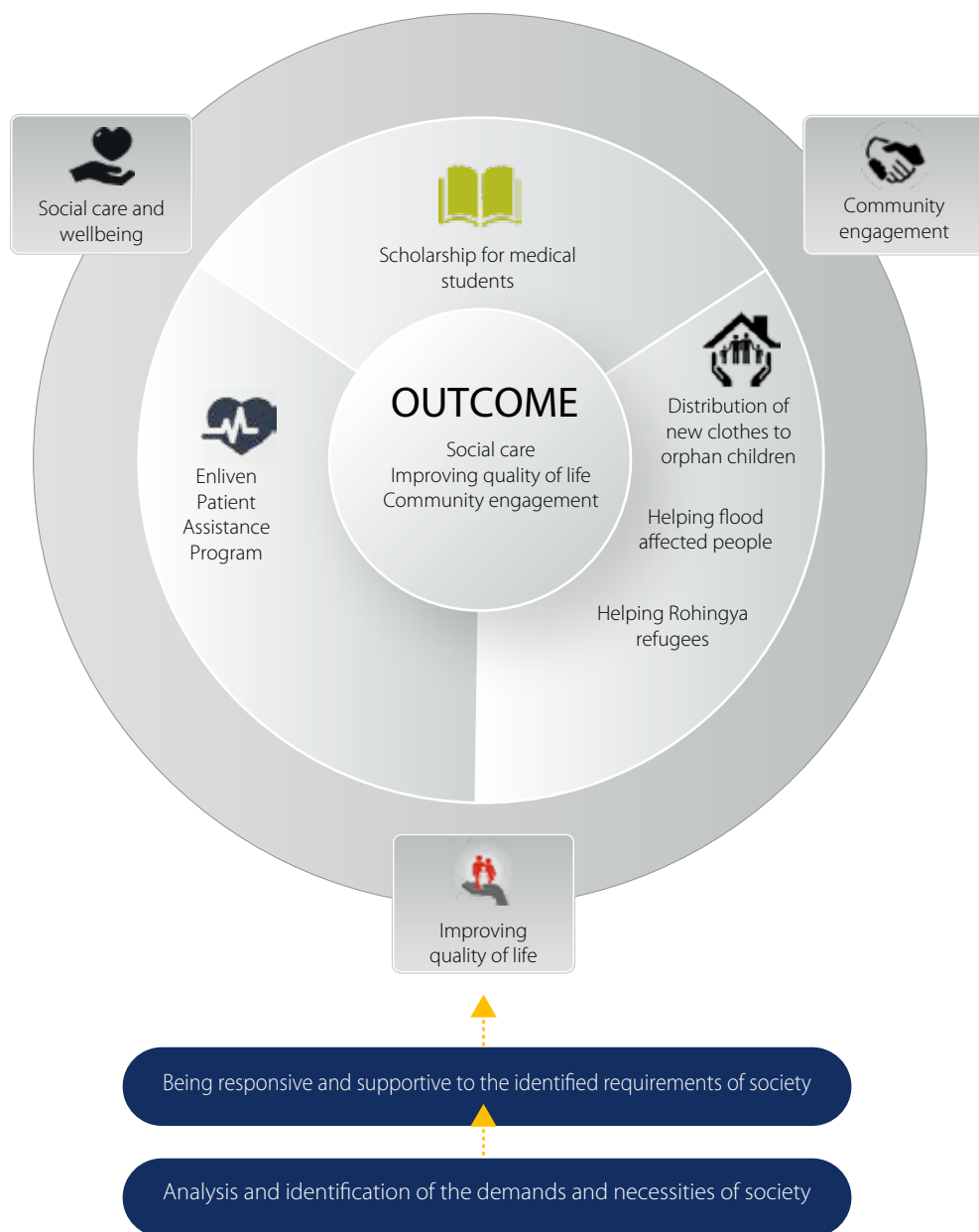


Figure : How We Share Values with Society

All the CSR activities mentioned below over here occur in three levels:

- CSR activities undertaken by Orion Pharma Limited
- CSR activities undertaken by its subsidiaries and
- CSR activities undertaken by Orion Group

Education:

Scholarship for Medical Students

Every year Orion Pharma Limited organizes a ceremony and invites the top medical students from different Government Medical Colleges all over Bangladesh to reward them with scholarships. From the very beginning, the company has decided to be with those brilliant students of the country who cannot afford the exorbitant cost of medical education, by offering them scholarship and helping them become doctors.

On May 10, 2018 an inauguration ceremony of 'Orion Medical Scholarship' was inaugurated at our Head Office - Orion House. The occasion was graced by Mrs. Arzuda Karim, Director and Mr. Salman Obaidul Karim, Managing Director of the company.

On this year's program, a total of seven (7) meritorious students were selected for this scholarship. They expressed their gratitude towards Orion and praised its endeavor to help underprivileged students achieve their dreams of becoming doctors. A total twenty (20) students are being served with under this program.

The program was ended with wise and motivating words from Mrs. Arzuda Karim and Mr. Salman Obaidul Karim. All of them urged the students to study well and when in future they will indeed become doctors, they must also try to help out other disadvantaged students achieve their dreams of becoming a doctor.





Health:

Enliven Patients Assistance Program (EPAP)

Orion Pharma Limited has always wanted to remain one step ahead on humanitarian grounds. The company has been successfully running the Enliven Patients Assistance Program (EPAP) from 2004 to help the society. This program is an endeavor to provide Enliven at subsidized price or in some cases at free of cost for the underprivileged blood cancer patients in Bangladesh. In this program, the patients with Chronic Myelogenous Leukemia (CML) can get their Enliven drugs at complimentary prices.

Enliven is used to treat certain types of leukemia (blood cancer), bone marrow disorders, and skin cancer, or certain tumors of the stomach and digestive system. Orion Pharma Limited has found this noble way to help the mankind, by not only considering business profit but also considering value of human-life.

After starting EPAP project, majority of CML patients are benefited throughout Bangladesh. This particular program is also easing the access to all financially deprived patients in purchasing the drug at an affordable price. Under this program, we provide an average discount of BDT 80 per capsule which equivalent to 60% of the medicine's actual price. This discount reduces the price of the Enliven capsules which is a small step on behalf of the company to help cancer patients.

Since its beginning we at OPL have served more than two hundred (200) Chronic Myeloid Leukemia patients under this program with a vow of maintaining this even in the future. In the financial year 2017-18, the company has enlisted and renewed twenty five (25) patients under this program.

Livelihood:**New clothes to orphan children**

Orion considers helping Orphanages to be one of the most benevolent activities because it believes in betterment of livelihood of socially and economically deprived people. Following the events of previous years, in this year's Ramadan also, Orion provided clothes and shoes to eighty (80) orphan children of two (2) orphanages located in Jatrabari and Uttara, Dhaka to make their Eid celebration more joyous and cheerful. This is a pleasure for Orion to be able to stand beside those orphans when they are in utmost need because Orion believes in equality and willing to help the underprivileged in fulfilling their rightful needs as much as possible. We take this little step with the hope that our endeavor will make those children happy, productive and caring adults. As a part of our philanthropic activities, Orion will continue to contribute the disadvantaged and deprived group in the society to ensure their improvement in the living standards.



Aid for Rohingya humanitarian crisis

According to WHO Bangladesh Weekly Report, since August 2017, an estimated 687,000 Rohingya have crossed over from Myanmar into Cox's Bazar, Bangladesh, joining approximately 212,500 others who had fled in earlier waves of displacement. There is no doubt that this is one of the fastest growing refugee crises in the world and it is one of the biggest challenges for Bangladesh, a country which is already coping with its own needs and hurdles. In the aftermath of this crisis, there was an urgent need to ensure that the displaced people were protected and were given safe access to humanitarian assistance including food, water, shelter, sanitation and other health services.

Orion Pharma Limited did not waste any time and took quick steps to help out the affected people in crisis. Our company provided food aids to the helpless and crisis-stricken Rohingya people in consecutive four months to keep up with their basic needs. In the coming days OPL hopes to continue this attempt of helping out humanitarian crisis-struck people and coming forward with providing aids.



Livelihood (continued):

Aid for flood and river erosion affected people

In 2017 Bangladesh suffered from massive floods due to heavy downpour and onrush of water from upstream hilly areas that caused inundation of the river basin areas. Thousands of people were marooned in floodwater in Kurigram and Lalmonirhat districts due to the rise of water level of Brahmaputra and Teesta rivers. The people were suffering from scarcity of pure water, sanitation, food and enough shelters. Waterborne diseases were spreading fast in the flood-hit areas.

Orion took big steps towards the flood-affected people in Kurigram and helped many distressed families who lost their shelters and economic stability to stand up with solvency and start their life again. Orion built tin-shed houses, tube wells and sanitary toilets in the devastated area in Kurigram. It also served dry food and mineral water to more than two thousand (2000) flood victims in the Kurigram district. Orion is also in the process of rehabilitating thirty-one (31) families affected with river erosion. In the coming days too Orion hopes to keep up such good work around the country and help those in need.





ORION Pharma Ltd. donated a piece of land of about 8.0 katha (5600 sft) to Dhaka Power Distribution Company (DPDC) to set up a sub-station in order to facilitate electricity transmission to support industrialization in Narayanganj area. Orion Pharma Ltd., one of the pharmaceutical giants in the industry, is developing the country's largest Pharma plant in Siddhirganj, Narayanganj with complete pharmaceutical solution. Being a socially responsible corporate house, Orion Pharma has donated this land from the new factory to place a sub-station of DPDC to enhance the power generation and development in this area. DPDC will be able to transmit about 50 MW electricity per day from this sub-station. The glorious sense of responsibility towards the nation drives us to contribute to the nation's development in various aspects.

Relationship capital refers to one of the intangible capitals involving the sharing of information, the solving of problems and the creation of connections, brand and reputation among our stakeholders, who have interest in as well as potential impact directly or indirectly on our business activities.

Stakeholder mapping is critical for our business success and we are aware that our actions and operations affect more and more people with the expansion of business. The positive response from these people helps us to grow our business.

On the contrary, negative feedback can block our way to expand and grow bigger. Thus we have carefully identified and prioritized our stakeholders, their interest and concern through conducting impact analysis and developed best engagement mechanism as the way to respond to them.

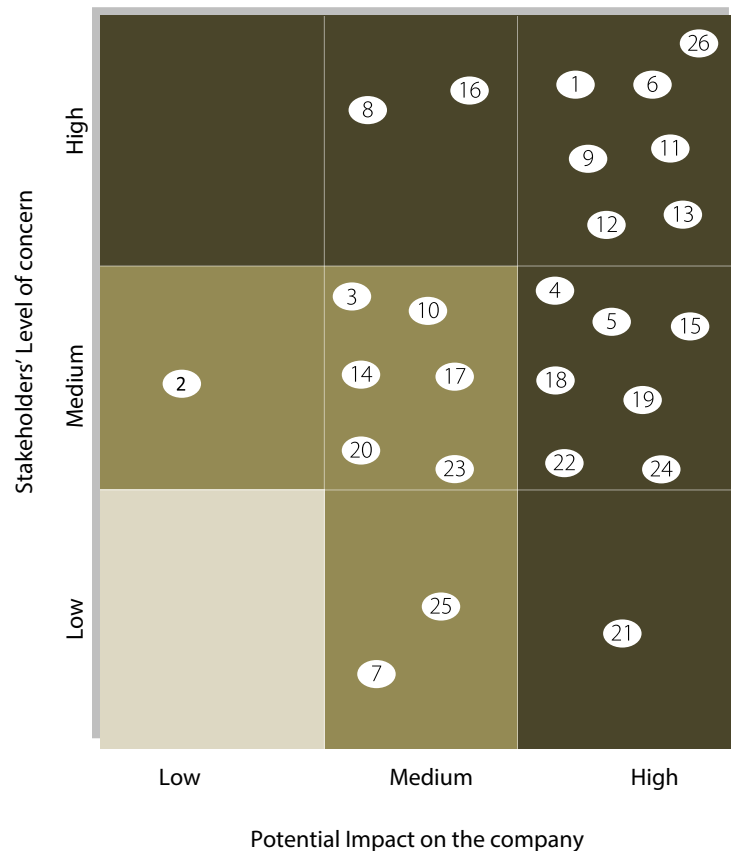
Stakeholders	Why they are important	What matters to them	How we engage with them	Frequency of engagement
Customers	<ul style="list-style-type: none"> • Main part of our market • Source of revenue • Information provider • Ensure sustainability 	<ul style="list-style-type: none"> • Certification • Product quality • Price • Diversification • On time delivery • After sales service 	<ul style="list-style-type: none"> • Complaint form and Customer satisfaction survey • Maintenance of enhanced and superior communication • Seminars and workshops • The Orion Medical Journal 	<ul style="list-style-type: none"> • Complaints received and resolved – three (3) times • Seminars and workshop-monthly • The Orion Medical Journal – quarterly
Consumers	<ul style="list-style-type: none"> • Ultimate users • Eventual market • Final revenue source • Main source of sustainability of the business 	<ul style="list-style-type: none"> • Product quality • Price • Diversified products as per needs • Social contribution • Product information • Compliance 	<ul style="list-style-type: none"> • Market Survey • Website • Social Media • Integrated Annual Report • CSR and charitable activities • Launching new products 	<ul style="list-style-type: none"> • Integrated annual report- yearly • CSR and philanthropic activities- six (6) programs undertaken
Employees	<ul style="list-style-type: none"> • Competent employees to attain objectives • Our image holder and contributor to profit 	<ul style="list-style-type: none"> • Job security • Periodic salary review in view of adjusting the cost of living • Transparent recruitment process • Healthy working environment • Training & development • Career growth 	<ul style="list-style-type: none"> • Adjusted salary package • Pick and drop facilities • Training opportunities • Performance reviews and appraisal • Health & safety facilities • Employee coordination meeting • Employee engagement • Introduction of Term Life Insurance 	<ul style="list-style-type: none"> • Performance reviews – monthly • Appraisal- yearly • Pick and drop facilities- each working day • Training-715 no. of employees trained • Coordination meeting - monthly

Stakeholders	Why they are important	What matters to them	How we engage with them	Frequency of engagement
Shareholders, Financial Institutions & Analysts	<ul style="list-style-type: none"> Invest for the betterment and growth of the company Accountable to them as they seek return on their investment 	<ul style="list-style-type: none"> Return on investment Sustainability and going concern issues Effective corporate governance Strategic objectives Social contribution 	<ul style="list-style-type: none"> Annual General Meeting Integrated Annual Report Regular repayment of debt and declaration of dividend Website Regular communication 	<ul style="list-style-type: none"> Annual General Meeting- Yearly Integrated Annual Report- Yearly Financial Statements- Quarterly, half yearly and yearly
Government, Local Regulatory Authorities and Professional Bodies	<ul style="list-style-type: none"> Control and develop policy Provide license and certificates Control export and import 	<ul style="list-style-type: none"> Legislative compliance Corporate governance Environmental and social credentials Timely reporting and VAT, Tax payment Pricing Product quality 	<ul style="list-style-type: none"> Discussion, seminar and dialogue Contribution to national exchequer Conform to relevant laws and regulations and reporting to Government and regulatory bodies 	<ul style="list-style-type: none"> Some are on need basis and some are complied for day to day business activities
Suppliers and Contractors	<ul style="list-style-type: none"> Supply production materials and operational facilities On time delivery Quality of supplied products 	<ul style="list-style-type: none"> Fair and smooth transaction Sustainable growth of the company Fair payment 	<ul style="list-style-type: none"> Regular interaction Timely payment to vendors 	<ul style="list-style-type: none"> Some are on need basis and some are for day to day business activities
Communities	<ul style="list-style-type: none"> Sustainability of business Brand growth 	<ul style="list-style-type: none"> Ethical stance Social value creation Employment Environmental preservation Health and safety measures 	<ul style="list-style-type: none"> Integrated Annual Report CSR Social awareness Surveys The Orion Medical Journal 	<ul style="list-style-type: none"> Annual General Meeting- Yearly CSR and charitable activities- six (6) programs undertaken The Orion Medical Journal – quarterly
Media	<ul style="list-style-type: none"> Public perception Brand image 	<ul style="list-style-type: none"> Corporate and industrial insight CSR, Value creation and International Trade 	<ul style="list-style-type: none"> Integrated Annual Report Website Social media Business interview The Orion Medical Journal 	<ul style="list-style-type: none"> Integrated Annual Report- Yearly The Orion Medical Journal – quarterly

Stakeholders	Why they are important	What matters to them	How we engage with them	Frequency of engagement
Trade Union	<ul style="list-style-type: none"> • Supports sustainability of business • Supports health and safety issues 	<ul style="list-style-type: none"> • Employee work safety • Salaries and wages • Career development 	<ul style="list-style-type: none"> • Integrated Annual Report • Regular meeting 	<ul style="list-style-type: none"> • Integrated Annual Report- Yearly • Regular meeting- quarterly
Industry peers	<ul style="list-style-type: none"> • Influence strategic decisions and planning • Directly impact the ability to succeed 	<ul style="list-style-type: none"> • Financial performance • Business trends • Value creation for long run • Competitive advantage 	<ul style="list-style-type: none"> • Integrated Annual Report • Website • Social media 	<ul style="list-style-type: none"> • Integrated Annual Report- Yearly

Stakeholders' Materiality Assessment

1. Legislation & regulation
2. Social dialogue & relation
3. Renewable resources
4. Competitiveness of the company
5. Reputation management
6. Training & education
7. Diverse workplace
8. Employment security
9. Sustainable business
10. Leadership culture
11. Product quality & diversification
12. Customer satisfaction
13. Transparent & complete reporting
14. Workplace health & safety
15. Sustainable branding
16. Socially responsible investment
17. Public policy & lobbying
18. Increased competition
19. Corporate citizenship
20. Stability of financial markets
21. Developing markets
22. Corporate governance
23. Community involvement
24. Waste management
25. Political uncertainty (Host Govt.)
26. Transparency & reporting



INTERNAL RELATIONSHIP

An organization has to manage relationships across a broad spectrum of stakeholders. One of such stakeholders is the employees of the company. Our internal relationship represents how we take care of our employees to make sure that they are motivated, rewarded and acting as valued ambassadors of the company.

Strategic conference 2018

On January 18, 2018 the company arranged 'Orion Pharma Limited Strategic Conference 2018' at the beautiful location of BRAC CDM, Rajendrapur, Gazipur. The event was graced with the presence of Mr. Mohammad Obaidul Karim, Honorable Chairman of the company, Mrs. Arzuda Karim, the Director and Mr. Salman Obaidul Karim, the Managing Director. All the Regional Sales Managers, Territory Coordinators, Regional Coordinators, Area Managers and Deputy Sales Managers attended the auspicious program. They paid tribute to the employees who successfully achieved the regional targets. Their zestful speeches made the event more resilient. The success stories of some region were also narrated by the respective Area Managers.

Mr. Salman Obaidul Karim boosted the confidence and determination of sales staffs to perform better in his speech. Mrs. Arzuda Karim also motivated the sales team through her speech by recognizing the efforts of the successful personnel and also highly praised the performance of the Area Managers who were able to show their performance and set an example to the others.

The top management of sales team discussed about the upcoming strategic issues and gave the sales force clear direction that will help them excel in the upcoming year. There were also other significant and insightful presentations delivered by the Senior Management team.

Motivational tour in Bali

As recognition of the performance of 2017, Orion Pharma Ltd. arranged a reward tour for the best performers of all the departments of the company in the exotic location of Bali, Indonesia. This incentive tour was one of the most efficient ways to motivate the employees who performed exceptionally well in the last reporting year. A total of fifty two (52) employees were sent on this amazing tour on February 24, 2018. The most attractive parts of the four-day program were visiting Uluwatu temple, having dinner on the beach, enjoying Oleg Balinese dance, visiting Kintamani and Mount Batur, enjoying day long cruise and experiencing wonderful shopping. This travel program made the achievers consider it as once-in-a-lifetime experience. This program did not only give the employees a break from daily work schedule but it also elevated team bonding among performers and loyalty for company.

Training & development

The management of Orion Pharma Limited believes that our employees are the greatest assets of our company and they are the ones who work hard and soul to attain our goal. So our aim is to not only invest into the business and market but also in professional and skill development of employees. OPL believes that everyone has potentials but not everyone can perform according to the potential or cannot develop it properly. That is why education and training are needed. It brings the skills out of the employee. So, OPL invests in education and training of employees to develop the human capital since it is one of the most significant aspects of OPL to which it pays a lot of emphasis.

During last year we provided many trainings to our employees; both in-house and external. For our new employees we conducted orientation programs. For MPOs there was Fresh

MPO training and Experienced MPO training. There was also Skill Development Program, which is only done by Orion Pharma Limited in Bangladesh, over where we take our employees to beautiful outdoor places for day long training and motivational sessions. We also give training to our employees by external professionals as per requirements of different departments such as behavioral & cultural development, leadership, change management and so on.



Details of our Training sessions can be found in Human Capital on page 100-103

Fun & celebration

We regularly persuade our employees, to participate in various events along with performing their job responsibilities, to ensure employees always have a refreshed mind and soul. Orion Pharma Limited is a culturally diversified organization practicing culture with value. We believe that culture integrates us with our people, community and society. We celebrate the key religious, cultural, traditional and international occasions with our people by which our bonding gets stronger.

Employees here celebrate the beginning of Bengali months Falgun and Boishakh known as "Pohela Falgun" and "Pohela Boishakh" with a great pleasure and enthusiasm by wearing traditional outfits like Saree and Punjabi. In addition to that the company also arranges gift hampers, sweet boxes with company logo on them and distributes those to mid level management as well as to different corporate houses, financial institutions, customers, suppliers and associates as greeting for the festival and as a symbol of bondage. The same trend is also followed on the beginning of the English New Year. Delicious cuisines are also served as lunch during those occasions for the employees to make

the occasions more enjoyable and delightful with co-workers/colleagues.

Employee plays a crucial role in company's breakthrough in terms of performance and revenues. An employee, who serves the company for a significant period of time with commitment and dedication to the contribution and to the growth of the company, is assumed to be equally passionate about the company just as the owner thus our company never misses the opportunity to bid farewell to them with a heavy heart and best wishes for their success ahead.

We believe that employees who leave the company are the carrier of the culture and values of OPL to another organization. Thus we positively consider it as a way to spread Orion's culture and values adopted by our colleagues who are leaving.

Another example of our friendly corporate environment is organizing cricket match and football match by employees and staffs. Such kinds of tournaments are sponsored by the company and many of the top management personnel attend the match to cheer the participants. We also encourage our employees to participate in sporting events which are also sponsored by third-parties and involve teams from other corporate houses. This year a Corporate Friendly Football Tournament was organized by DOT 5 held on the Fortis Sports Ground, Badda. Teams from six corporate houses of Bangladesh participated in this tournament and Orion Pharma Limited became the Runners-up. Such competitions do not only help stimulate teamwork between employees, but also improve communication and relationships within teams and encourage keen competition among companies.

Coordination meeting

For developing future leaders of the company, at OPL we conduct a

Coordination Meeting on a monthly basis comprising of mid level and top Management. The senior management team always grace these meetings with their presence. In these meetings the importance of leadership development, change management, team building, and development of human resources is hugely emphasized upon and discussed extensively.

The senior management also motivates the managers about instilling values of equal treatment and the practice of recognition of all junior colleagues' work. As a part of change management in 2016, Orion was the only company in the country to go for Monthly Appraisal of employees. To make this change more effective, in these meetings we also discuss about Monthly Appraisal and its importance in developing our employees and making them efficient in their fields. The managers later convey the meeting discussions and decisions to their subordinates for better coordination.

EXTERNAL RELATIONSHIP

At OPL we believe that it is imperative to maintain a healthy and fruitful relation with all our stakeholders for us to become a successful organization. These stakeholders may or may not be directly involved in the market but they significantly impact how business will function in the market. Our external relationship says about how we deal with external stakeholders like customers, shareholders, community etc.

CUSTOMERS-

Customer complaint form

As the pharmaceutical market is already saturated and many substitute products for a medicine are available in the market, it is one of the most important factors for us to create scope for customer to provide feedback on our products or to voice regarding any complaints related to our products or services. A customer complaint

highlights a problem where we can investigate and improve to prevent further complaints in the future.

At OPL, we have Standard Operating Procedure (SOP) on Management of customer complaints. We deal with all complaints as per our SOP. Our customers can provide their feedback or complaints, if any, by filling up a "Customer Complaint Form" available to each depot. Customers can collect the form from the respective areas field force and after writing the problems they have faced and seek solutions, they can give back it to them. Then the field forces send it to their respective depots and subsequently our sales and PMD department receive the same from depots.

After that, the Quality Assurance department, which is mainly responsible to deal with this matter, after receiving it from Sales and PMD department, works on it to solve the problems and ensure no repetition of same problem in the future. During the financial year 2017-18, only three (3) complaints were received from customers. Our Quality Assurance department was able to solve these small issues and there were no other major issues during the last year.

SHAREHOLDERS-

Dedicated Share department

Orion Pharma Limited provides services to its shareholders through the Share department to carry out all share related activities. Some of the important services provided to shareholders are:

- Transfer of shares;
- Transmission of shares;
- Appointment of nominees;
- Registration of Powers of Attorneys;
- Changing name;
- Updating change in addresses of shareholders;
- Issue of replacement /split/ consolidation of shares certificates;

- Payment of dividend, revalidation and issue of duplicate warrants;
- Copies of the Annual Report;
- Registration of Bank Mandates (Bank name, Account no., Bank address, Bank MICR number) in case of shares held in physical form;
- Issuance of Income Tax Certificate deducted at source on Cash Dividend; and
- Keeping shareholders informed of developments and events that may influence the share price, in a transparent manner through PSI.

Our Share department is devoted to handling inquiries from shareholders and investors, as well as others who might be interested in a company's stock or financial stability. Also the department prepares quarterly result publications in company's website in a timely manner. Different Price Sensitive Information (PSI) is also published in newspapers as well as in company's website as and when required.

Annual General Meeting

The company holds regular Annual General Meetings as per law with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. Shareholders are welcome to attend the company's interactive and informative Annual General Meetings at which they have the opportunity to ask questions. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness.

COMMUNITY

Medical Service Department

The MSD at OPL aims at updating medical professionals with useful information on various subjects of medical interest, organizing and sponsoring clinical meeting from time to time, arranging video shows on acute medical emergencies and conducting clinical trials in health care centers and so forth.

The MSD carried out many programs in the financial year 2017-18 which included organizing Scientific Seminars, Round Table Meetings, Rural Promotional Campaigns, Intern Doctors Reception Programs and many more.

Scientific Seminar is a Continuous Medical Education program (CME), where individual departments or host institutions present a particular research based case study with medical professionals and learners. Round Table Meeting is a gathering of a small group of doctors of an individual department or section of host institution or a medical college. Rural Promotional Campaigns are conducted among Diploma in Medical Faculty doctors,

who work as a community based health service provider. Such campaigns help to increase the involvement of rural level medical professionals with the company. Other than these, OPL also conducted Intern Doctors Reception Programs in the financial year 2018, where many interns and doctors participated to acknowledge and celebrate the internship of interns.

The MSD of OPL is also responsible for publishing the Orion Medical Journal on a quarterly basis. The main purpose of the journal is to approach our fraternity in medical profession with the latest developments in the fields of medical practice and research.

SOME SNAPSHOTS OF OUR EFFORTS TO MAINTAIN INTERNAL RELATIONSHIP

STRATEGIC CONFERENCE 2018



On January 18, 2018 the company arranged 'Orion Pharma Limited Strategic Conference 2018' at the beautiful location of BRAC CDM, Rajendrapur, Gazipur.

MOTIVATIONAL TOUR IN BALI



On February 24, 2018 Orion Pharma Ltd. arranged a reward tour for the best performers of all the departments of the company in the exotic location of Bali, Indonesia.

TRAINING & DEVELOPMENT



During financial year 2017-18, Orion Pharma Ltd. provided many trainings to the employees; both in-house and external.

FUN & CELEBRATION



Orion Pharma Limited celebrates the key religious, cultural, traditional and international occasions with its people by which the bonding gets stronger.

COORDINATION MEETING



Orion Pharma Limited conducts Coordination Meeting on a monthly basis comprising of mid level and top Management.

SOME SNAPSHOTS OF OUR EFFORTS TO MAINTAIN EXTERNAL RELATIONSHIP

AGM 2017



Orion Pharma Limited held 52nd Annual General Meeting on December 14, 2018 at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000, Bangladesh.

MSD PROGRAM



The Medical Service Department at Orion Pharma Limited carried out many programs in the financial year 2017-18 which included organizing Scientific Seminars, Round Table Meetings, Rural Promotional Campaigns, Intern Doctors Reception Programs and many more.

ORION MEDICAL JOURNAL



The Orion Medical Journal is a publication of Orion Pharma Limited. The Medical Service Department of OPL is responsible for publishing Medical Journal quarterly in a year. The main purpose of the journal is to approach our fraternity in medical profession with the latest developments in the fields of medical practice and research. 1st inaugural issue was in September, 1998. We have an International Standard Serial Number (ISSN) which is an eight-digit serial number used to uniquely identify a serial publication. Orion Medical Journal ISSN 1606-9722. In Pharmaceuticals industries Orion Medical Journal is very much accepted by the Doctors society from its first publication in 1998 and the following years. Many renowned Doctors has been involved with our publication as an editorial and Authors. OPL has a strong image among doctors society that shows, we are not only focusing in commercial purpose but also contributing in academic field.

NATURAL CAPITAL

OPL believes that the sustainability of business is directly related to sustainability of the environment. Orion Pharma Limited is always focused on its endeavors to minimize any negative impacts that it might have on the environment through its operation. Keeping our environment safe and pollution free remains to be OPL's utmost priority. Failure to ensure the eco-friendly use of machines and materials lead to risk of cancelation of our legal license to operate. Both the existing factory and the new factory ensures the highest level of environmental safe operation.

Environmental Management System is designed in such a way to ensure that all the regulatory obligations are fully met.

Environmentally responsible behavior is another central part of our business. Our proper attitude towards natural environment facilitates to achieve sustainable development as well as social acceptance in the long term.

Also we have taken some extra initiatives other than regulatory requirements in order to further guarantee that we are operating without making our environment polluted.

EMS mainly comprises waste management and disposal, air pollution / dust emission, carbon impact or emission, ecological plan, applying

conservatism in use of natural resources and so on. The first phase captures the environmental consideration for manufacturing plant and the second phase is for addressing environmental issues for other operational activities.

Use of rabbits for toxicity test

Human and animals share hundreds of illness, and consequently animals can act as human models. For example rabbits suffer from atherosclerosis (hardening of the arteries), as well as diseases such as emphysema, birth defects such as spina bifida. Dogs suffer from cancer, diabetes, cataracts, ulcers and bleeding disorders such as hemophilia, which make them natural candidates for researching into these disorders.

New medicines require testing because manufacturer must measure both the beneficial and harmful effects of a compound on a whole organism.

A medicine is initially tested in a suitable animal model before clinical trials on human being. The animal test provides data on efficacy and safety of medicinal products. Our microbiologist use rabbits for conducting adverse toxicity effect of first time launched parenteral products and market complaints.

Our rabbit house is located on the top floor of the factory building where ten female, eight male and six baby rabbits are available. We have two workers in two shifts to look after our animals. Rabbit is not a carrier of any health hazard potential pathogen.

Waste management system

A Pharma Manufacturing Facility Generates two forms of waste-

- **solid industrial waste**

- Raw Materials Container like cartoon, Poly bag, Paper bag etc;
- Packaging Materials like film foil, lid foil, carton, label, insert, glass & PET bottle, spoon, torn papers, polythene etc;
- Rejected Tablets, Capsules, Powders, blisters, Ampoules, Vials etc. from Daily Manufacturing;
- Laboratory Area Chemical Containers; and

e) Used and Rejected filters coming from HVAC System, Process Machines, Laboratories etc.

- **liquid industrial waste**

- Especially from General Washing area for Equipment washing;
- All machines product contact parts washing through automatic washing system; and
- Laboratory area chemical washing after use.

Both kinds of waste need to be treated properly before discharging to the environment.

Waste collection system

- Solid wastes are collected and stored in separate place designated as Industrial Waste Salvage area every day after production.
- Liquid wastes are collected through Industrial Drainage System network spread below each production floor. Production rooms and central washing area have Industrial Hygiene type Floor Trap installed and through UPVC Piping Network all the wastes are collected to underground PIT outside of production building which is directly connected to ETP through pipeline.

Waste treatment system

Solid Wastes like cartoons, bags, blisters etc. which are not directly in contact with products are first shredded into small pieces with the help of Shredding Machine. Then, this wastage is sold to third party for recycling. Other solid wastes need to be incinerated and buried underground. The yearly (July 01, 2017- June 30, 2018) wastage packaging materials of the company is 54,844 kg.

In addition to the above mentioned facilities, OPL management will apply a number of extra initiatives exclusively for the new plant to further strengthen OPL's commitment to maintain eco friendly environment.

Solid wastes will be Incinerated / Burned into ashes with the help of Double Chamber Incinerator. The cycle also includes wet scrubbing system for the smoke before throwing to atmosphere to reduce flue gas temperature and ash content. Residue ash content is buried underground at a depth of minimum 3m.

In case of formulation of medicine, wastage or process loss is 2-3% which is not recoverable. This type of wastage will be passed through Effluent Treatment Plant (ETP) for treatment and making it safe for the environment.

For liquid waste, after final treatment of waste water with the help of ETP, the company will comply with the Waste Water Characteristics Guideline of Bangladesh Environmental Regulation. Final water will be used for gardening purpose of the factory premises otherwise it will be discharged to the local central drainage network. Everyday routine test will be carried out in the laboratory to ensure the compliance with the waste water regulations.

Control of air pollution / dust emission

Our Production block is maintained by HVAC system of class 100000 area using HEPA filters which filter the air through removing at least 99.97% of airborne particles.

Automation by BMS (Building Management System)

BMS is a fully automation system which is able to control, monitor and ensure proper clean environment inside the production area as well as control temperature, humidity and pressure differential. All the utility system are connected to BMS for automatic central control. Fire detection system is also integrated with BMS.

Ecological plan

Appropriate landscaping has been done so that no water can accumulate in case of heavy rain. Also several green plants and grass has been grown in the open space so that no dust can be generated from the bare land which is uncovered. Roads and drainage system is designed in such a way that generation of dust is controlled. An appropriate ecological balance has been done by implementing planned greeneries.

Conservative use of energy, water, gas and other resources

Our head office, factory, CDC, and depots have been designed in such a way so that we can best utilize the sunlight. In conjunction with this energy saving bulbs are being used to some extent, By doing so, the use of electricity has been reduced considerably.

Orion Pharma recognizes that fresh usable water has been identifying as one of the scarce resources in Bangladesh as the country has one of the highest population densities in the world with around 13 percent lack safe water. Therefore, we are very much aware of efficient use of water everywhere especially in production plant. As a manufacturing company, the main use of water is for the manufacturing of medicines. Other usage of water is insignificant. Extra monitoring facilities are there to ensure minimum wastage of water.

Gas is another limited natural resource in Bangladesh. We are already facing severe gas shortage problem. Gas crisis is an ongoing issue and low pressure of gas supply often forces us to stop manufacturing medicines. The major two usage of gas in our company is in the factory and the canteen where we are using gas in an effectual way.

There are many employees taking part as volunteers in various activities to preserve natural resources as well as

healthy and clean working environment.

Furthermore, our management has taken initiatives to make digital switch to paperless office and has been exploring the ideas on how to go paperless. We admit that we feel comfortable in doing our works using papers as we are habituated to this traditional way of working. Nonetheless, we are working on changing the culture to accept paperless as the new way of working. At the same time we also agree that paper retention will be necessary in some cases and our motive is to reduce the use of papers, not to eliminate it altogether. With this in mind, we are selecting technologies and adopting strategies that promote paper reduction in the workplace.

As a smaller step to encourage going paperless in our office, OPL has started by discouraging excessive printing. For this, OPL's new office layout and sitting arrangement have been done by removing all extra printers, setting up central printers for each floor and promoting the idea of using both sides of papers.

OPL always encourages using electronic channels and e-mailing for all types of communication, which reduces the consumption of paper thereby results in decrease in deforestation. In case of working with coworkers and employees and sharing information, we are using our own mail server, File Transfer Protocol (FTP) server and also Google Drive or Dropbox to share documents, files and more, and can easily collaborate and work together.

On top of that we are now using finger punching attendance machine for better management and keep the track of employees in and out time. Prior to this, card punch attendance system was available from 2008. Replacement of paper based attendance system by digital system including both card and finger punch also cause less use of paper. Along with this, implementation

of new technologies such as scanning, duplex printer is another attempt to replace paper-based processes with electronic forms.

Measures to reduce carbon emission

Orion Pharma is operating in pharmaceutical industry where frequent use of motorcycles by Medical promotion officers and area sales managers for product promotional purpose and delivery van for distribution purpose are indispensable. But we are aware of the fact that vehicles contribute significantly to total emissions of carbon dioxide (CO₂), the main greenhouse gas. Since we cannot avoid the use of vehicles because of the nature of our business activities, we are committed to minimize the impact of carbon released from our vehicles. We have adopted the following strategies in this respect-

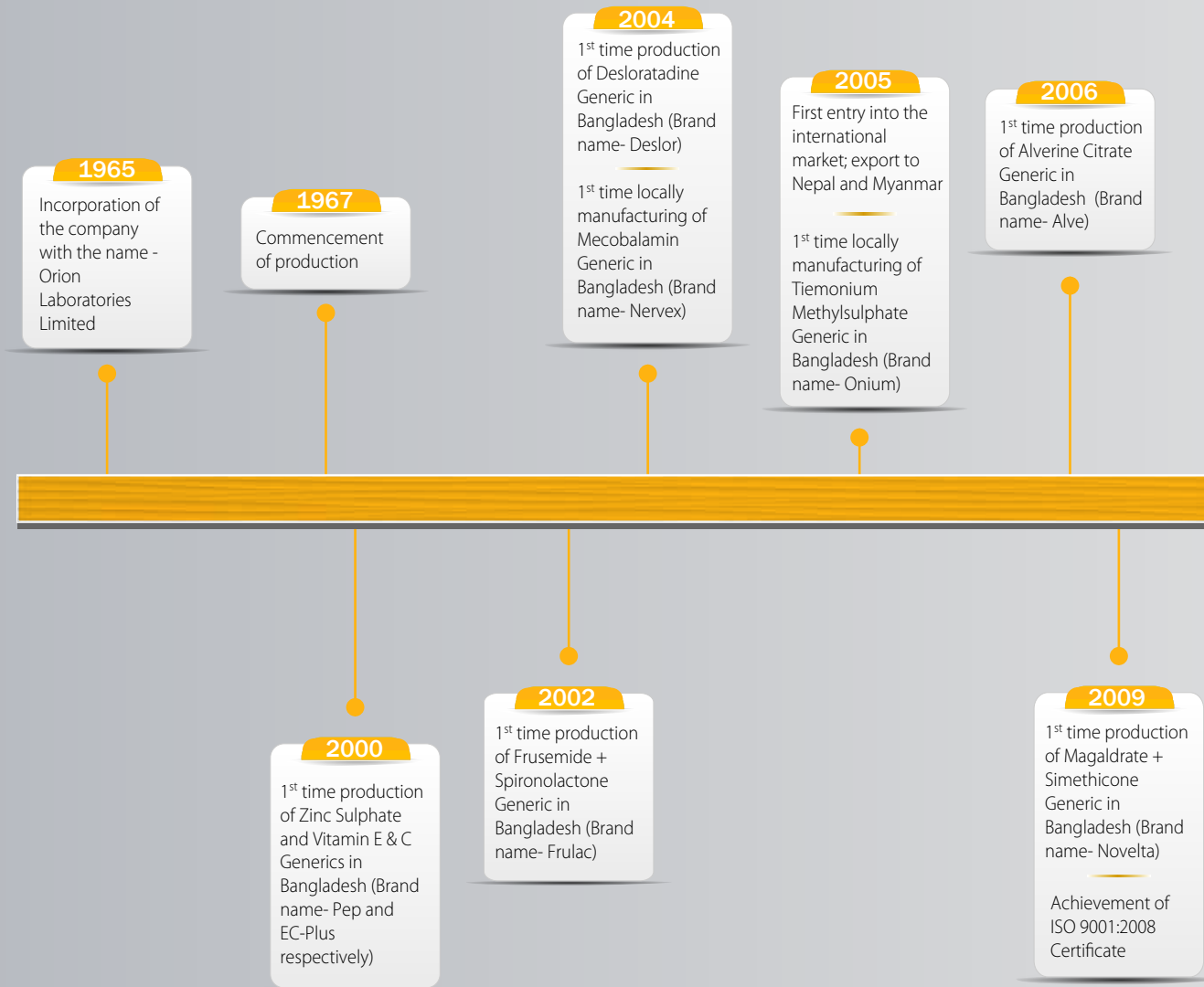
- Ensure fuel quality which is an important element in reducing greenhouse gas emissions from transport

- Regularly servicing vehicle can save its fuel use, increase its performance and fuel efficiency which in turn reduce carbon emission from vehicle
 - Follow fuel management efficiently
- Besides, we are encouraging the use of teleconferencing and video conferencing, when possible, for long distance meetings. This system is also helping us reduce carbon emission as we can avoid use of vehicles.



STRATEGIC REPORTS
of the company

CHRONICLE OF STRATEGIC EVENTS



2011

Started commercial operation of two (2) subsidiaries (Power generation plants)

1st time production of Acemetacin Generic in Bangladesh (Brand name- Tendonil)

2013

Listing with Dhaka and Chittagong Stock Exchanges

2014

Started export to Srilanka, Lesotho, and Armenia

2016

Started export to Bhutan, Cambodia, Afghanistan, Sudan and Somalia

2017

Started export to Somaliland

Received ICAB Award for 2nd best presented Annual Report of 2016

2010

Converted into public limited company

Change the company name to Orion Pharma Limited

2012

1st time production of Cefditoren Generic in Bangladesh (Brand name- Cefditor)

2015

Received ICAB Award for 2nd best presented Annual Report of 2014

2018

Received SAFA Award as 2nd runner up for best presented annual report 2016

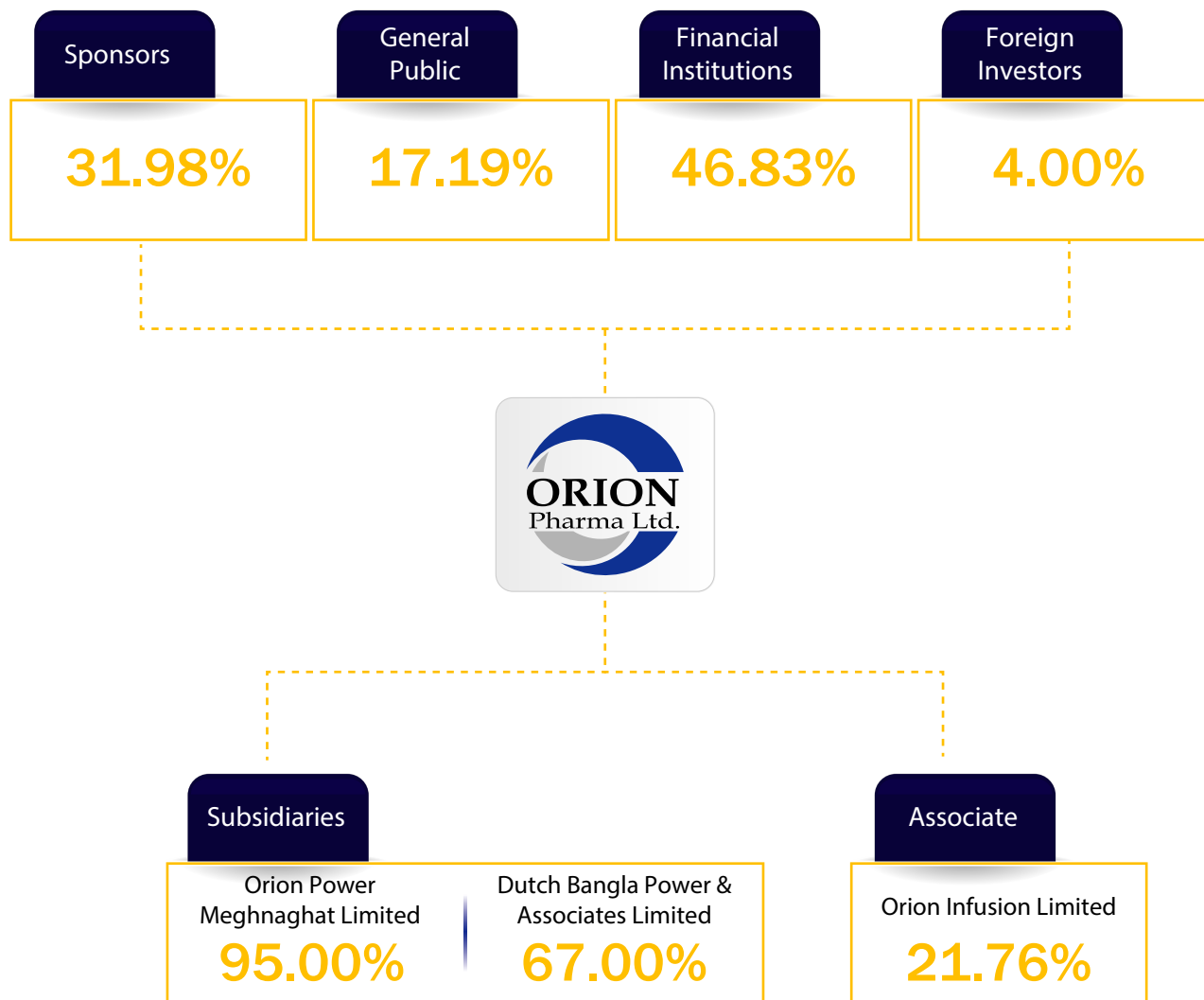
Introduced term life insurance facility for employees

Successful achievement of ISO 9001:2015 certification



SHAREHOLDING STRUCTURE

With 46.83% of share capital, the financial institutions are Orion Pharma's majority shareholders, followed by sponsors with 31.98% and general public with 17.19%. The remaining 4.00% is held by the foreign investors.



THE SUBSIDIARIES

Orion Power Meghnaghat Ltd.

Orion Power Meghnaghat Limited, a power generation company, commits to make a role-play with a single focus on delivering reliable and affordable electricity across the country. With this commitment, Orion implemented a 100 MW HFO based power plant, under the Government's Quick Rental Power Plant (QRPP) policy, situated in the power village of Meghnaghat, Narayanganj, near the bank of river Meghna. The construction of the plant was completed in a record time of just nine (9) months with brand new European machineries and equipment. It is connected with

National Grid, Sonargaon Substation. Total Plant area is around eight (8) acre. The plant has been distributing electricity to the National Grid on regular basis since 2011. The plant is recognized as one of the most efficient power plants of the country and with this recognition the BPDB has renewed the contract with the company to generate and distribute electricity for five more years till 2021.

Orion Pharma Limited holds the maximum equity share (95%) of this company. The total cost of the project was BDT 6,240 million.



Dutch Bangla Power & Associates Ltd.

Power sector carries an integral infrastructural resource for sustainable economic development. Reeling power crisis is impeding industrial and economic growth in the country, Orion also recognizes the challenge that the country faces in delivering reliable, dependable electricity at most competitive pricing.

Taking the commitment to provide cost effective electricity for poverty reduction and accelerated economic growth, Dutch Bangla Power & Associates Limited was implemented as a 100 MW HFO Quick Rental Power Plant (QRPP) in Siddhirganj, Narayanganj, beside the bank of river Shitalakshya, with brand new

European machineries and equipment. This construction was also completed in only nine (9) months due to the use of world class equipments and deployment of world class EPC contractor. The generated output is regularly being supplied to National Grid since 2011. It is connected with National Grid through Sidhirganj Substation. This plant has also been renewed to operate for further five (5) years till 2021.

Orion Pharma Limited holds the maximum equity share (67%) of this company. The total cost of the project was BDT 6,500 million.



CREATING VALUES THROUGH BUSINESS MODEL

External Influences

Political and regulatory issues both in Bangladesh and export countries

Uncertain financial and macro factors

Increased population, purchasing power and life expectancy

INPUTS

Financial Capital

- Equity funding
- Debt funding
- Cash flow generated from business activities

Manufactured Capital

- Plant infrastructure
- Production capacity
- Health and safety guidelines
- Manufacturing facilities
- Machineries, equipments and technologies

Intellectual Capital

- License from DGDA to operate pharmaceutical products manufacturing facilities
- Product development
- Research strategy and implementation
- International market specific analysis

Human Capital

- Employees
- Knowledge
- Expertise
- Remuneration & benefits
- Training and development
- Succession planning

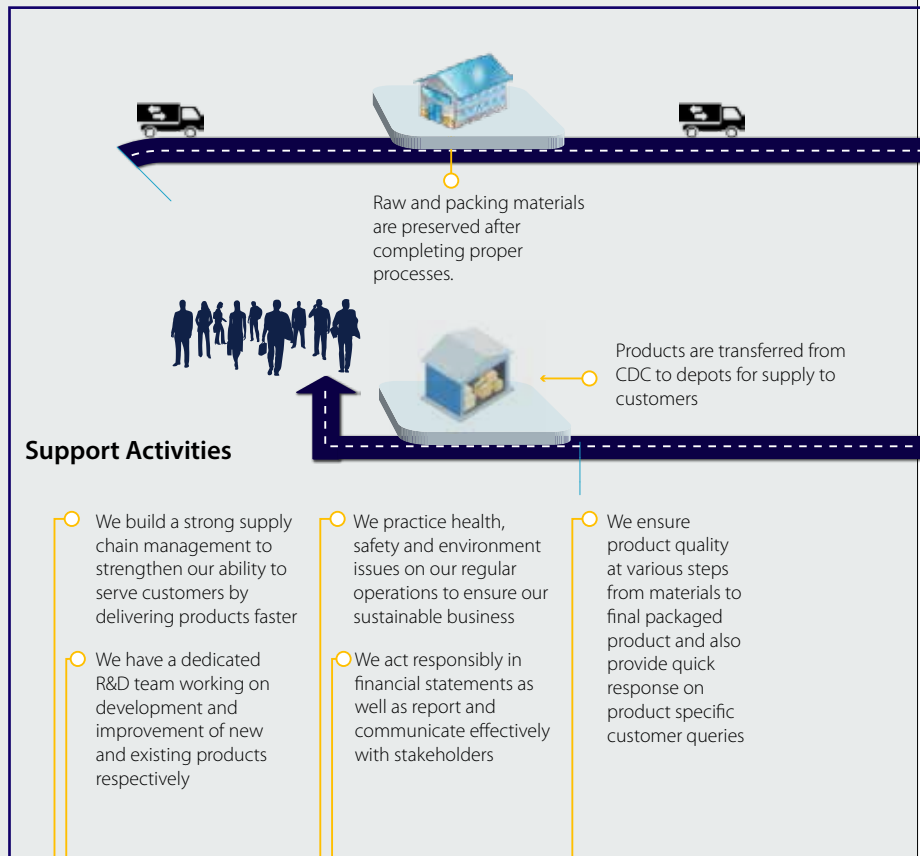
Social & Relationship Capital

- Corporate social responsibility
- Orion medical journal
- Stakeholder engagement
- Regulatory compliance

Natural Capital

- Rabbits used for toxicity testing
- Use of utilities
- Waste management

BUSINESS ACTIVITIES



OUTPUT

Products

- No. of brands - 120
- No. of presentations - 231
- No. of therapeutic classes - 36
- No. of generics - 183

Mission, Vision and Values

Our Governance



For further reference see page 33, 135, 146, 147, 148, 150, 164 & 191

Technological obsolescence and advancement

Competitive environment

Export opportunities

Shift in disease profile

BUSINESS ACTIVITIES →

OUTCOME →



Raw and packing materials are transferred to and used in production process



Finished products are stored in CDC in appropriate condition



We identify legitimate interest of potential stakeholders and engage with them accordingly to maintain corporate reputation and stakeholders' trust

We provide proper training facilities to our employees to make them developed and improve their skills to perform more in their roles

We have a strong sales force in 31 regions and distribute products through 19 depots and 58 customized vehicles

We value to have or share a positive employee relationship that results in high employee engagement, productivity and morale

We perform environment friendly operation, manage waste and efficient use of natural resources

We are involved in serving society by participating in various philanthropic activities

We allocate and utilize financial capital in a proper way

Financial Capital

- Profit after tax – BDT 801.76 million
- EBITDA - BDT 2,343.97 million
- Earning per share – BDT 3.43
- Net cash generated from operation - BDT 2,194.33 million

Manufactured Capital

- Capital expenditure – BDT 356.07 million

Intellectual Capital

- No. of flagship products –19
- No. of first to market products -10
- No. of overseas market -11
- Total spending on training - BDT 12.80 million

Human Capital

- Fatality - Nil
- Diversity – Female Employees - 6%
- No. of work related injury - 5
- Employee turnover rate - 15%
- No. of employees received trainings - 715
- Employee engagement survey - score 72 out of 100

Social & Relationship Capital

- No. of lives impacted through CSR - 7,300
- Payment to national exchequer - BDT 413.25 million
- Payment to shareholders as dividend - 15%

Natural Capital

- Proper treatment of waste before discharging to the environment
- Dust free air emission from factory
- Conservative use of natural and other resources

OUTPUT →

Wastage

- Packaging materials – 54,844 kg
- Process loss – 2% - 3%

Our Strategy

Our Performance

Future Outlook

OUR VALUE CHAIN

Orion Pharma Limited has made an effort to portray all its activities, carried out in its regular business to create value for its potential stakeholders, by a value chain model. In order to do this, OPL has adopted Porter's Value Chain Analysis to examine all of its activities, the way in which value chain activities are performed, to see how they are connected and how these activities are affecting costs and profits.

This analysis helps OPL to understand the sources of value for our company and for the society.

SUPPORT ACTIVITIES



Firm Infrastructure

- The design of the building and factory is good and reflects modern concept
- Prevalence of good governance
- Practice of strong code of business conduct
- Structured departments and hierarchical system
- Improved communication between different departments through the intranet
- Better accounting and financial management practices



Human Resource Management

- Strong HR team to recruit, train and motivate employees
- Excellent corporate culture for team work and leadership development
- Competitive remuneration package and compensation benefits
- Ensuring employees' health and safety issues
- Offering safe and healthy working environment
- Non existence of gender discrimination



Technology Development

- IT department with required expertise and experience who supports both IT infrastructure and software
- Automated Central Distribution Centre, distribution channels and depots
- Real time access to sales records from all depots
- Strong IT department is continuously developing many customized software
- Efficient R&D departments continuously engaged with developing new products or upgrading existing one



Procurement

- Direct contact with suppliers
- Good cross border relationship
- IT based procurement planning and inventory management system
- Practice of strong code of business conduct
- Structured departments

PRIMARY ACTIVITIES

Inbound Logistics 

- Good relationship with suppliers
- Sourcing supplies of high quality materials
- Efficient storage facilities- easy storage and retrieval
- Inventories are dealt with swiftness and efficiency
- Hired and owned vehicle fleet
- Supply schedules are matched with production

Operation 

- Automated manufacturing processes
- Comply with compliance in every aspect and step of the production.
- Quality control and inspection
- Order fulfillment on time
- Real time inventory and sales tracking system

Outbound Logistics 

- On time delivery through 58 customized vehicles
- Inventory management
- Efficient dispatch and delivery system
- Emergency resupply
- Emergency shipment
- 31 Regional Sales Offices and 19 depots all over the country
- 1 Central Distribution Cell

Sales and Marketing 

- Efficient sales force of 1,106 number of employees
- Regular training of the sales team through sales training department
- Customer management
- Entering new and emerging markets
- Sales analysis
- Market research
- Branding and promotion of products

Service 

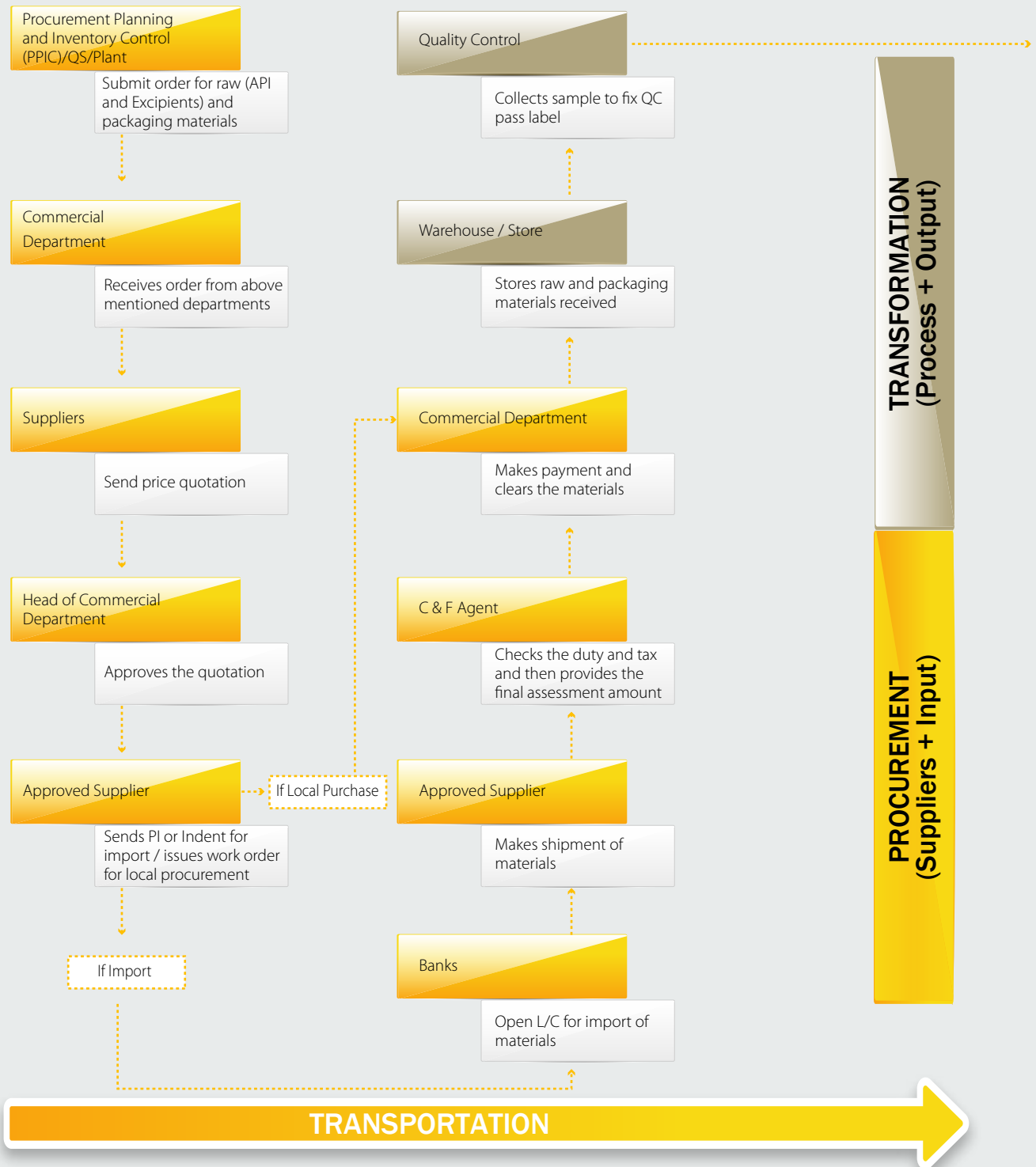
- Product complain form
- Customer survey and seeking feedback
- Structured approach to understand the requirements of individual customers
- Fast response to customer requirement
- Expired product management

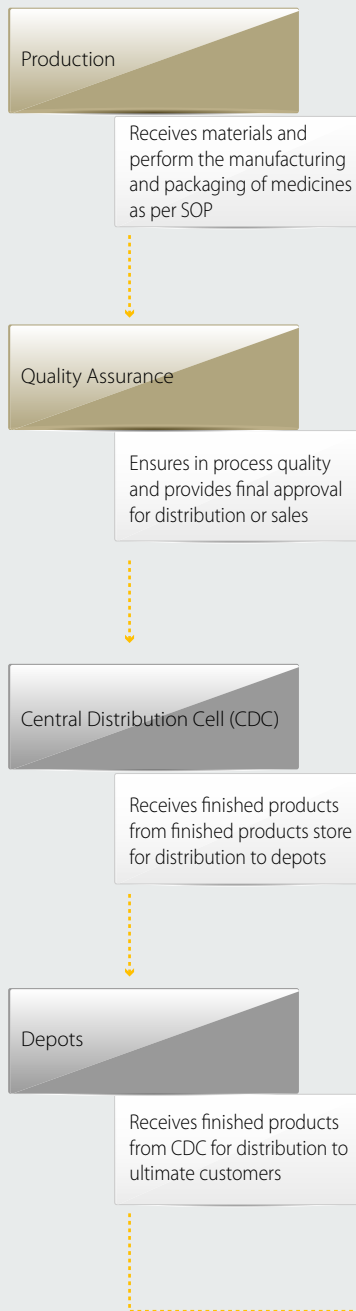
PROFIT MARGIN

VALUE FOR SOCIETY

- Increased opportunity for serving society and accelerating economic growth
- Creating employment opportunities for local community
- Increased income results in improved yields
- Less consumption of natural resources
- Serving the society by providing high quality medicines that consumer needs
- Participating in the national development process by contributing to national exchequer

OUR SUPPLY CHAIN





Local

- Institutions
- Pharmacy
- Some special cases

International

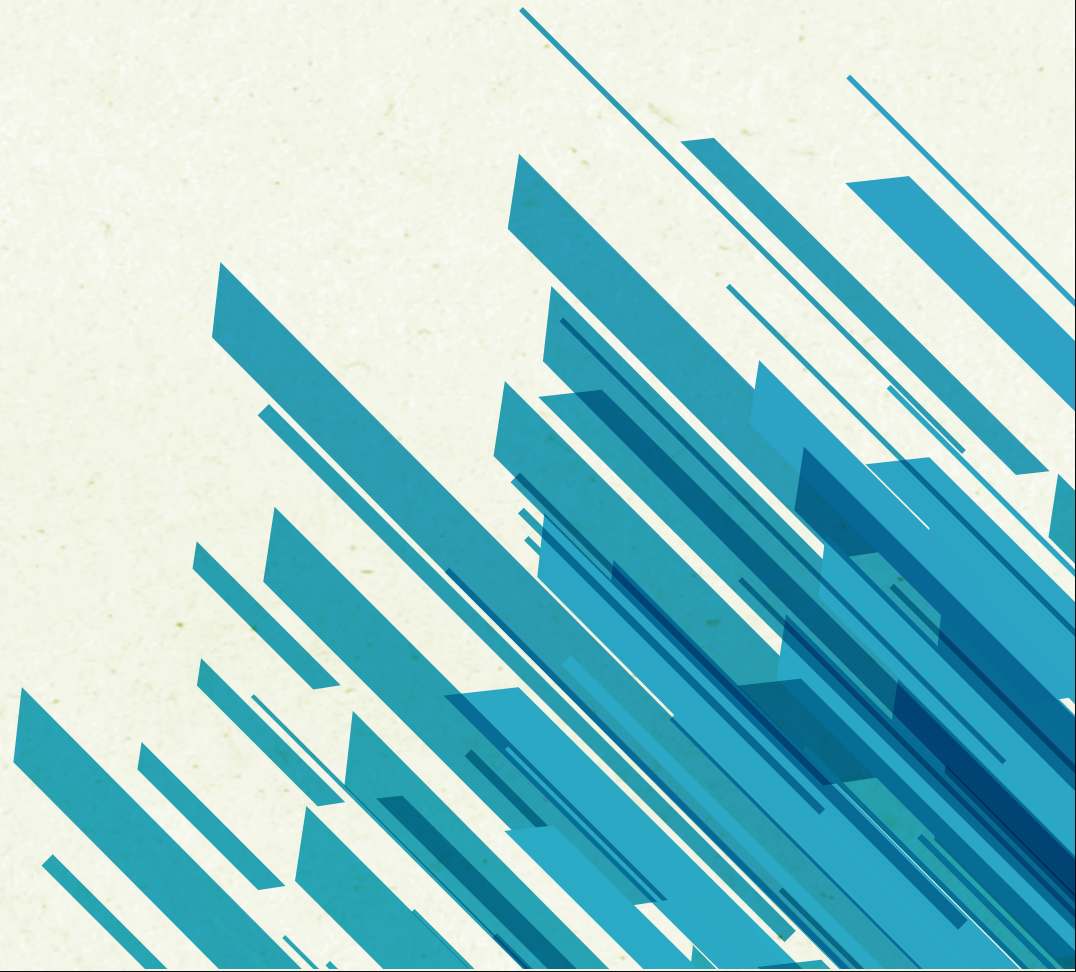
- Sudan
- Cambodia
- Nepal
- Armenia
- Somalia
- Afghanistan
- Sri Lanka
- Myanmar
- Lesotho
- Bhutan
- Somaliland

**TRANSFORMATION
(Process + Output)**

**ORDER MANAGEMENT
(Output + Customers)**

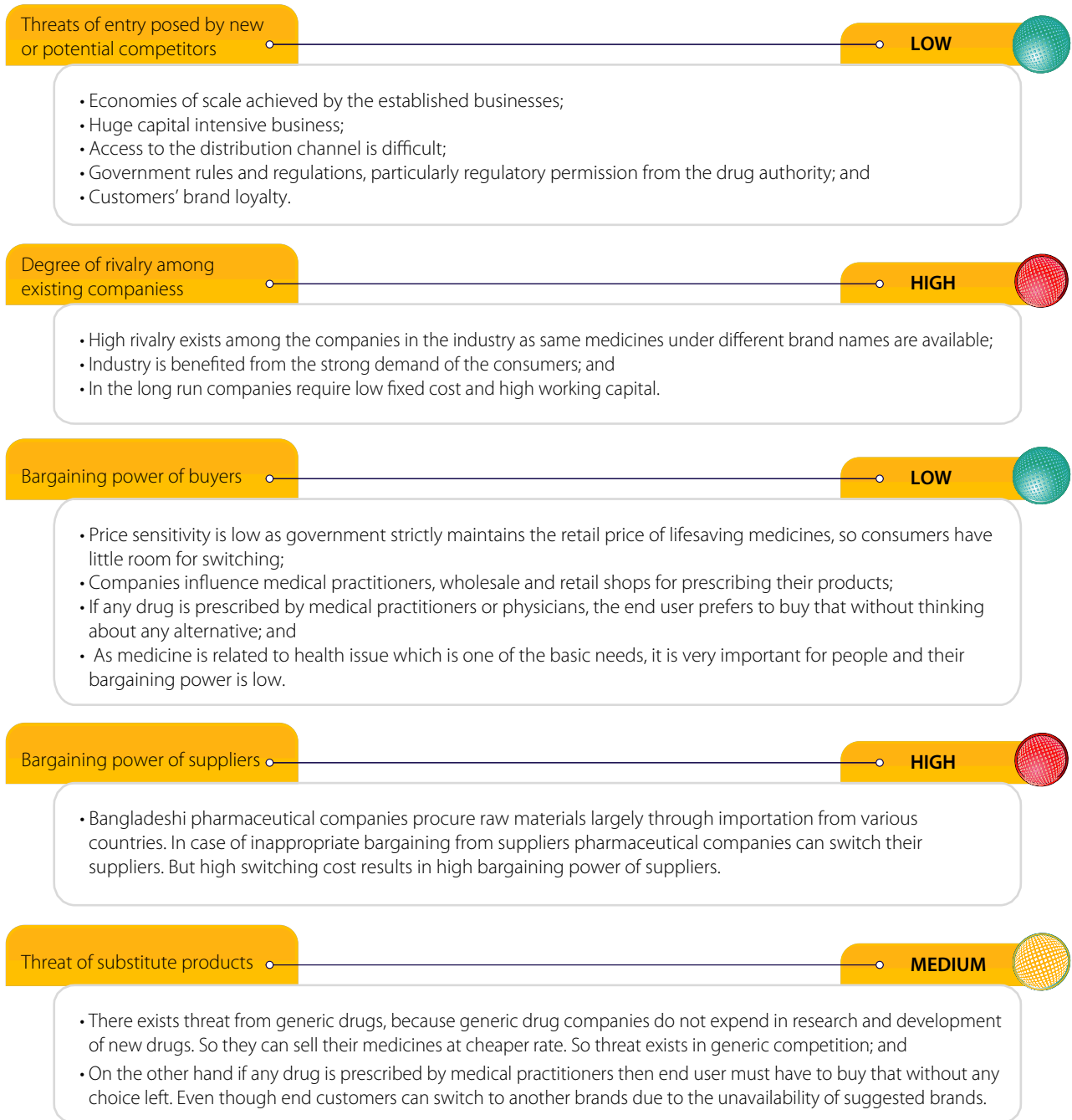


Get to know
our internal and external
business environment



ANALYSIS - FIVE FORCES

Industry analysis is a vital part of the decision making process in business. In this case Michael Porter’s model is a widely used tool for industry analysis. This model identifies five (5) core competitive forces and by gaining knowledge about these forces and how they impact on the business, decision makers can make better decisions and plan better. From that point of view an analysis of the pharmaceutical industry of Bangladesh in terms of the five (5) forces is given here:



ANALYSIS - SWOT

This SWOT (strengths, weaknesses, opportunities and threats) analysis is a process where the management team identifies the internal and external factors that will affect OPL's performance. The company's strengths and weaknesses are the internal factors whereas opportunities and threats deal with factors external to the company. This helps the overall corporate planning process in which financial and operational goals are set for the upcoming year and strategies are created to accomplish these goals.

Strengths

- OPL has overseas marketing network in eleven (11) countries, products of OPL have already been registered in other five (5) countries and in the process of registering products in more than ten (10) countries;
- Strong corporate and company brand image;
- Strong, transparent and professional management;
- Strong demand for our cardiovascular drugs;
- World leading generics are available in our product line;
- The biggest Pharma Park in the country with huge production capacity including capacity of hi-tech products;
- Strong and country wide distribution network ensures supply of products up to retail level;
- High quality products with extensive product lines;
- Active participation in CSR activities;
- Front runner of some generics for the 1st time launched in Bangladesh; and
- Existence of competitive advantages.

Weaknesses

- Lack of presence in international market particularly in Europe and in USA;
- Sub standard position in few areas of HR indicators;
- Lack of branded product recognition in local market;
- Low investment in R&D; and
- Lagging behind in grabbing the opportunities to introduce new potential therapeutic products.

Opportunities

- Emerging new international markets;
- High annual growth rate of pharmaceutical industry in Bangladesh with lot of potentials;
- Increasing demand for quality healthcare products due to the increase in consciousness among people;
- Grant for the least developed countries, including Bangladesh, an exemption from obligations to implement patents and data protection for pharmaceutical products until 2033 as per trade related intellectual property rights (TRIPS); and
- Chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases.

Threats

- Increase in competition both in local and overseas pharmaceutical market day by day;
- Change in rules and regulations from Bangladesh Food & Drugs Authority can make products out of the market;
- Exposed to foreign currency fluctuations in case of importing raw materials and exporting products;
- Interest rate fluctuations can have an adverse effect on the business sustainability; and
- Political instability and turbulence and disruption by the law enforcement agencies may disrupt supply chain, production and hamper cost competitiveness.

ANALYSIS - PESTLE

This PESTLE (Political, Economical, Social, Technological, Legal and Environmental) analysis of pharmaceutical industry sector investigates the important aspects of various external factors that are affecting the industry and is used for business and strategic planning, marketing, planning, organizational change, business and product development and research reports.

Political

Brief

- Political instability e.g. hartal, strikes;
- Export, import policy;
- Government rules and regulations;
- Increase of government pressure on healthcare etc.

Our response

The political condition of Bangladesh was quite stable during the last FY. However, we neither faced any big troubles while carrying out our regular business activities nor any government rules and regulations were against us. If there were any issues raised, our management solved it effectively.

Economical

Brief

- Exchange rate and interest rate fluctuations;
- Global economic crisis;
- Intense competition in pharma industry in Bangladesh;
- Annual growth rate of pharmaceutical industry in Bangladesh;
- Increase in GDP growth rate etc.

Our response

Since we are in the beginning stage of our international operation, global economic factors do not have much impact on us. Also, Bangladesh's economy is in favor of our activities. However, we are facing strong competition in local market for which we have taken effective marketing strategies to retain our position in the market and achieve the marketing objectives set.

Social

Brief

- Increase in health conscious consumers;
- Increase in population and diseases like obesity, diabetes and associated health risks;
- Increase in demand of high quality healthcare products;
- Religion;
- Active participation in social networking of mass people;
- Change in lifestyle etc.

Our response

Our concerned departments are in charge of identifying the medicines' needs for the society and the shift in disease pattern so that we can capture the market before our competitors by delivering the right products at the right time. In addition to this we actively participate in various social and philanthropic activities to share values with the society.

Technological

Brief

- Active participation in social media;
- Advancement in technologies and machineries;
- Customized treatment;
- Development in ICT sector in Bangladesh;
- New technology development and obsolescence etc.

Our response

World class machinery and equipments are available at our new Siddhirganj plant. Also various updated and customized software mostly developed by our own IT team, when required, are being used for the operation and maintenance of our activities. A detailed schedule of software we are currently using is captured on page no 151-152

Legal

Brief

- Increased litigation;
- Change in rules and regulations from Bangladesh Food & Drugs Authority;
- Strict advertising law;
- Strict price control policy of the government;
- Health and safety regulations;
- Compliance with World Health Organization (WHO) on Good Manufacturing Practice (GMP) etc.

Our response

There is no legal or regulatory issue against our company as we are always concerned to adhere to all legal and regulatory matters applicable for us. Moreover, the concerned departments are responsible to renew all legal documents, licenses, certificates and to adapt any change in laws, rules and regulations on timely basis without making any violation.

Environmental

Brief

- Increase in environmental agenda about climate change;
- Increase in community awareness about environmental issues;
- Increase in focus on Environmental Management System mainly comprises of waste management and disposal, air pollution / dust emission, carbon impact or emission, handling of hazardous chemical, ecological plan etc.

Our response

We are doing our business by adopting eco friendly technology and operation process which preserve the environment through energy efficiency, taking steps to make our office paperless and effective waste management. Some more steps like to reduce the negative impact of carbon emission will also be adopted in our new plant.

Because of our competitive advantages, we are in the competition

Front runner – 1st time in Bangladesh

Orion Pharma Ltd. is always keen to launch new and innovative product in Bangladesh. Orion Pharma Ltd. has a good number of brands launched 1st time in Bangladesh. "PEP", "EC-PLUS", "FRULAC", "ONIUM", "ALVE", "CEFDITOR", "MAROMAX", "NOVELTA", "DESLOR" and so on.

More over Orion Pharma Ltd. has launched "TENDONIL" which is one and only in Bangladesh.

World leading generics in the product lines

Global Rosuvastatin Calcium market is valued at USD 430 million in 2017 and will reach USD 590 million by the end of 2025, growing at a CAGR of 4.0% during 2018-2025.

In consistent with this leadership Orion Pharma Ltd. has also launched Rosuvastatin and Esomeprazole under the brand name "ROVEX" and "EXOR" respectively. Considering the brand potentiality and value, Orion Pharma Ltd. has kept these brands as highest promotional priority as flagship products.

High quality API from world's renowned suppliers

As far as quality is concerned, we are always in search of excellence. That's why whenever we think of launching any new molecule, we search for the highest quality API.

The quality of APIs has a significant effect on the efficacy and safety of medication. Poorly manufactured or compromised APIs have been connected to serious issues, such as illnesses and even death. Hence, Orion Pharma imported their API from well recognized company of Italy, USA, Denmark, Germany, Spain and so on.

Not only that we also introduce US DMF (Drug Master File) Grade raw material for a few of our products which ensure proof of purity and complete documentation. At the same time we also use DC (Direct Compression) Grade raw materials having increased dissolution rate to ensure rapid onset of action and product of higher stability.

Strong foot step in cardiovascular drugs

About 17.7 million people die each year from CVDs (Cardiovascular diseases), an estimated 31% of all deaths worldwide. More than 75% of CVD deaths occur in low-income and middle-income countries. 80% of all CVD deaths are due to heart attacks and strokes.

Orion Pharma Ltd. starts its professional journey with stronger footstep in the cardiovascular segment. Amongst the leading cardiovascular drugs "FRULAC", "CLOGNIL & CLOGNIL PLUS", "LOSAN & LOSAN-Plus" and "ROVEX" are remarkable.

For the 1st time in Bangladesh we launched "FRULAC" in 2002. Since then with the reliability from leading cardiologists, "FRULAC" has been leading the cardiovascular market not only in Bangladesh but also in Myanmar market.

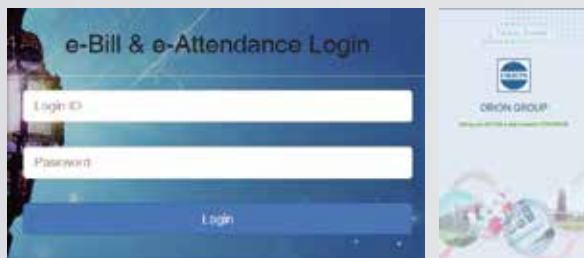
INFORMATION TECHNOLOGY

To illustrate progress towards achieving the performance goals of the company our Information Technology (IT) continues to find innovative ways to move forward with more advanced technologies. Our IT department is introducing new applications or updating the existing one to simplify the day to day official tasks and strengthening the technological base of Orion Pharma Limited. Desktop and Server Virtualization, Mobile Technology, renegotiating maintenance contracts, that provides security and reliability needed and looking into software applications that will create employee efficiencies.

Many of our software were purchased from vendors; again many of OPL's software were developed by OPL's highly skilled internal software developers. IT department is in charge of the following-

1	Server and Storage	<ul style="list-style-type: none"> • High Capacity IBM Server and Storage System • Enterprise Resource Planning (Customized)
2	Communication	<ul style="list-style-type: none"> • Virtual Private Network (VPN) • Local Area Network (LAN), Wide Area Network (WAN), Wi-Fi, File Transfer Protocol (FTP) • Video Conferencing • E mailing System • Data Connectivity with Factory
3	Accounting	<ul style="list-style-type: none"> • Financial Accounting System (Customized Module) • Fund Requisition Software
4	Data Management	<ul style="list-style-type: none"> • Online Bill Process System (Web Based)
5	Inventory Management	<ul style="list-style-type: none"> • General Inventory Management Software • Production Inventory Management Software
6	Asset Management	<ul style="list-style-type: none"> • Fixed Asset Management Software • Vehicle Management Software with tracking system
7	Sales and Distribution Management	<ul style="list-style-type: none"> • Sales Monitor Online Software • Sales, Inventory and Distribution Management System • Market Information System (MIS)
8	Supply Chain Management	<ul style="list-style-type: none"> • Supply Chain Management Software
9	Human Resource Management	<ul style="list-style-type: none"> • Payroll Software • E-attendance • HR Management Information System (All information of employees including employee appraisal) • SMS Notification System • Online Exam System

Orion Online Solution



There are some useful online applications which have been created by Orion Pharma's IT department to make all kinds operations and tasks fast and accessible. Orion Online Solution is the application where different departments can access into it and make utilization of it for various purposes. Orion Portal is widely used mobile app by the employees because they can get information about their attendance, appraisals, monthly pay slip etc from anywhere they want to. Recently, Orion Pharma introduced few online applications which have eased the field force's regular job tasks. OPL also takes online exams for recruitment and promotion purpose using the software known as Orion Online Exam.

The grid contains the following solutions:

- Orion Online Solutions** (Main Grid)
- e-Bill Process**: Online Bill Process System
- MIS System**: Online Management Information Solution
- e-Attendance & Leave**: Attendance Management System
- Vehicle System**: Online vehicle management system
- Fund Requisition**: Online Fund Management System
- 4P & Self Target**: Orion Pharma Self Target & Sales Monitor
- HR Payroll**: HR Payroll

DISTRIBUTION NETWORK

Orion's distribution network connects patients with healthcare products across urban and rural area. Orion distributes its products all over the country using its own distribution channel. It has a large number of vehicles and sales depot to ensure coverage of the whole country. Orion is committed to ensure better life through quality medicines. Under the direct surveillance of the Central Distribution Cell, seven hundred and eighty (780) people ensure the on-time delivery through nineteen (19) depots and fifty eight (58) customized vehicles confer the quality till it reaches to the hand

offend-customers.

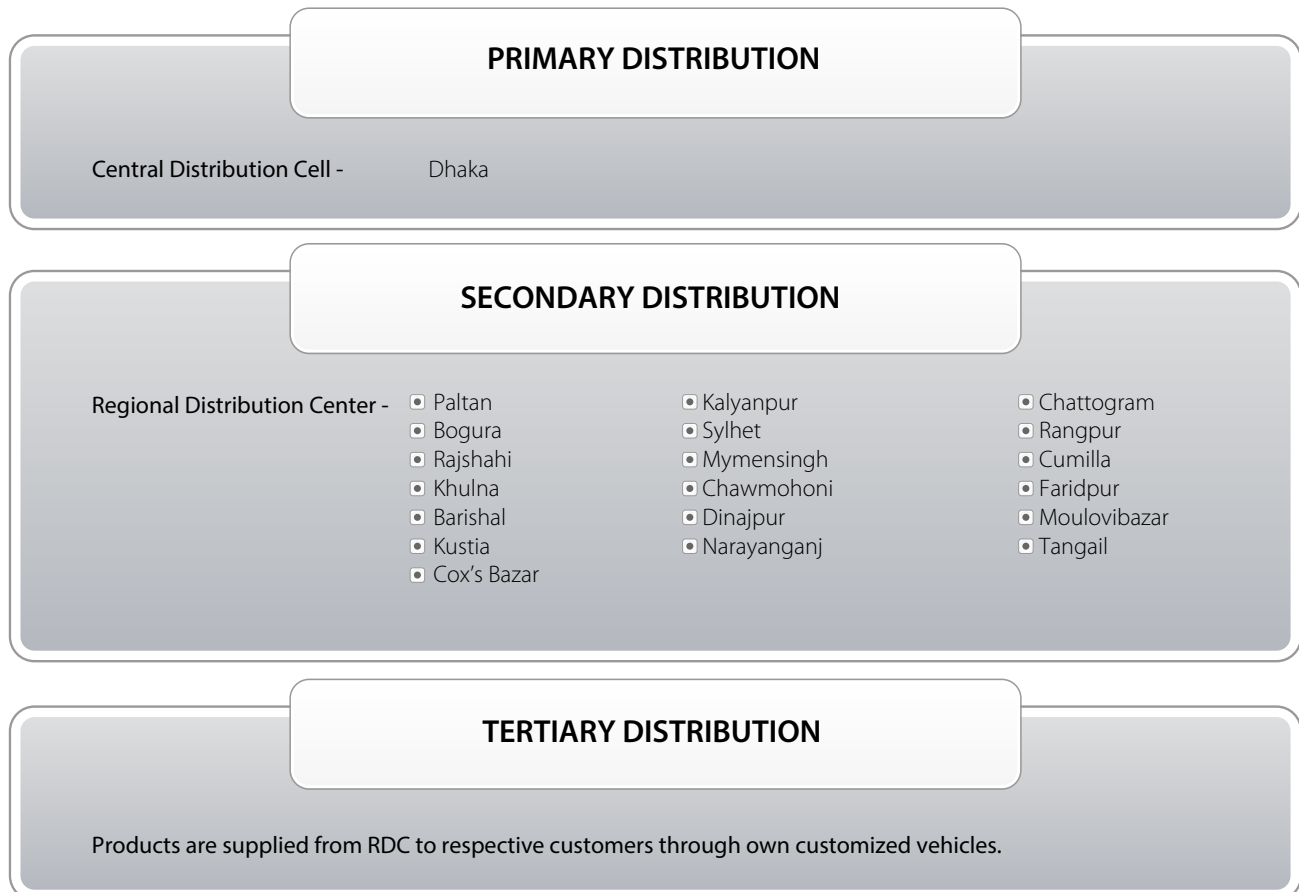
In accordance with the market requirements, the stocks are distributed countrywide by company-owned distribution network. The distribution channel of Orion strengthens its network to meet the need of the community. The width of the distribution network of OPL is very extensive and its channel of distribution takes place through the following consecutive chain:

From the finished inventory store, the products are taken to the Central Distribution Cell (CDC) in Dhaka for

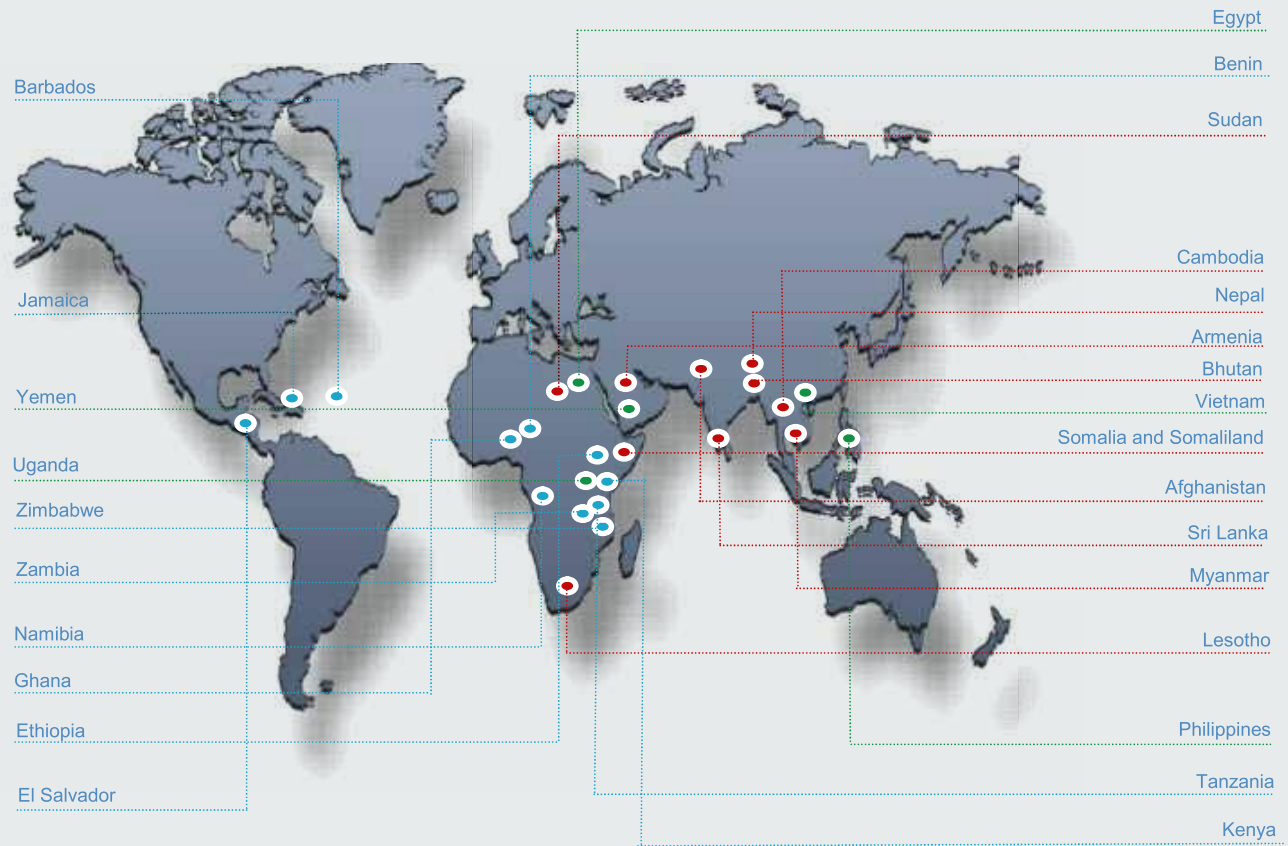
extensive distribution across the country.

In accordance with the requirements, CDC distributes drugs and medicines to the 'Regional Distribution Center/Depot' (RDC) situated in different location throughout the country.

RDC distributes the products to the respective urban and other remote markets by the company-owned vehicles.



OPL AROUND THE WORLD



- Existing markets
- Registered markets
- Emerging markets

11

Existing markets

05

Registered markets

10+

Emerging markets

BDT 108.80

Million export revenue during the reporting financial year

OUR PRODUCT INDEX

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
ANTIBIOTICS	Ataq Tab	Gatifloxacin	Fluoroquinolone antibiotic	Acute bacterial sinusitis, Acute bacterial exacerbation of chronic bronchitis, pneumonia, Skin Infections
	Axet 125 Tab	Cefuroxime Axetil	2 nd generation cephalosporin	Pharyngitis/Tonsillitis, Otitis media, Sinusitis, Acute bronchitis
	Axet 250 Tab			
	Axet 500 Tab			
	Axet 70 ml PFS			
	Axet 750 IV/IM			
	Co-Axet 250 Tab	Cefuroxime Axetil + Clavulanic Acid	2 nd generation cephalosporin with beta lactamase inhibitor	
	Co-Axet 500 Tab			
	Cefditor 200 Tab	Cefditoren	3 rd generation Cephalosporin	Lower Respiratory Tract Infections, Lower Abdominal Pain, Urinary Tract Infections, Fever
	Azalid 250 Cap	Azithromycin	Macrolide Antibiotic	Upper respiratory tract infections, Lower respiratory tract infections, STD
	Azalid 500 Tab			
	Azalid 15 ml PFS			
	Azalid 35 ml Susp			
	Azalid 50 ml PFS			
	Mac 100 ml PFS	Erythromycin		Respiratory tract infections , Skin and skin structure infections, Pertussis (whooping cough)
	Mac DS PFS 100 ml			
	Mac DS PFS 70 ml	Cefepime	4 th generation cephalosporin	Moderate to severe Pneumonia, Uncomplicated and Complicated UTI, Uncomplicated Skin Infections
	Magnova 500 mg IV/IM Inj			
	Magnova 1 gm IV/IM Inj			
	Magnova 2 gm IV Inj	Ciprofloxacin	2 nd generation Fluoroquinolone	Urinary tract infections, Lower respiratory infections, Infectious diarrhea, Typhoid fever (enteric fever).
Maprocin 500 Tab				
Maprocin 750 Tab				
Maprocin 60 ml Susp	Meropenem	Carbapenem	Septicemia, meningitis , Lower respiratory infections, pneumonia	
Meromax 500 mg & 1 gm IV				
Octrim Susp	Sulfamethoxazole and trimethoprim	Antibacterial	Treatment of susceptible infections, Meningitis caused by Listeria, Treatment of Pneumocystis jirovecii	
Oriodox Cap	Doxycycline	Tetracycline Group of Drugs	Bronchitis, pneumonia, sinusitis, cystitis, arthritis, acne	
Xemi Tab	Gemifloxacin Mesylate	4 th generation Fluoroquinolone	Acute bacterial exacerbation of chronic bronchitis, mild to moderate community acquired pneumonia	
Orlev 500 Tab	Levofloxacin	3 rd generation Fluoroquinolone	Acute bacterial sinusitis, Acute bacterial exacerbation of chronic bronchitis, pneumonia, Skin Infections	
Maximox 400 mg Tab	Moxifloxacin	4 th generation Fluoroquinolone	Acute Exacerbation of Chronic Bronchitis, Acute Bacterial Sinusitis, Complicated SSTI, Uncomplicated SSTI, Complicated Intra-abdominal Infection, Diabetic Foot Infection	
Pedicef 15 ml Drops	Cefpodoxime	3 rd generation Cephalosporin	Pharyngitis and/or tonsillitis, Community-acquired	

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Pedicef DS 50 ml PFS			pneumonia, Acute bacterial exacerbation of chronic bronchitis
	Sefin 250 Cap	Cephradine	1 st generation Cephalosporin	Respiratory tract infections, Skin and skin structure infections, Urinary tract infections
	Sefin 500 Cap			
	Sefin 250 IV/IM			
	Sefin 500 IV/IM			
	Sefin 1 gm IV/IM			
	Sefin 100 ml PFS			
	Sefin P. Drops			
	Sefin DS 50 ml PFS			
	Sefin DS 100 ml PFS			
	Torped 250 IV/IM	Cefotaxime		Lower respiratory tract infections, Genitourinary infections, Gynecologic infections, Central nervous system infections
	Torped 500 IV/IM			
	Torped 1 gm IV/IM			
	Truso 200 Cap	Cefixime	3 rd generation Cephalosporin	Uncomplicated urinary tract infections, otitis media, pharyngitis and tonsillitis, acute exacerbations of chronic bronchitis
	Truso 400 Cap			
	Truso Susp 37.5 ml			
	Truso Susp 50 ml			
	Truso 50 ml DS			
	Truso 15 ml PD			
	Vertex 250 IV	Ceftriaxon		Lower respiratory tract infections, Otitis Media, UTI, Gonorrhoea, Septicemia
	Vertex 250 IM			
	Vertex 500 IM			
	Vertex 500 IV			
	Vertex 1 gm IM			
	Vertex 1 gm IV			
	Vertex 2 gm IV			
	Xclor 100 ml PFS	Cefaclor	2 nd generation cephalosporin	Otitis media, Lower Respiratory Tract Infections
	Xindal-150	Clindamycin	lincosamide antibiotic	Skin & Skin structure infection, RTI, Septicemia, Intra abdominal Infections
	Xindal-300			
	Zidim 250 IV/IM	Ceftazidim	3 rd generation Cephalosporin	Lower Respiratory Tract Infections, Skin and Skin-Structure Infections, Urinary Tract Infections, Bacterial Septicemia
	Zidim 500 IV/IM			
	Zidim 1gm IV/IM			
ANTIFUNGALS	Conaz 50 Cap	Fluconazole	Azole antifungals	Vaginal candidiasis, mucosal candidal infections, systemic candidiasis
	Conaz 150 Cap			
ANTIPROTOZOAL	Nidazyl 400 Tab	Metronidazole	Nitroimidazole Antimicrobial	Trichomoniasis, Amebiasis, Anaerobic bacterial infections, Intra-abdominal infections
	Nidazyl Susp.			
	Zoana PFS 32ml	Nitazoxanide	broad-spectrum antiparasitic & Antiviral	Diarrhea caused by protozoa, Amoebiasis, Helminth Infection
	Zoana PFS 62ml			
	Zoana Tab			
TOPICAL PREPERATION	Avison Cream	Econazole Nitrate BP + Triamcinolone Acetonide	Antifungal	Dermatophytosis, Superficial mycosis, Cutaneous candidiasis, Ringworm, Eczematous mycosis
	Miki-H Cream	Miconazole Nitrate BP + Hydrocortisone BP	Topical Steroid	Intertrigo, Infected eczema, moist & dry eczema , atopic eczema, primary irritant
	Xzema Cream	Fusidic Acid+ Betamethasone Valerate	Topical corticosteroid with antibacterial agent	Atopic eczema, discoid eczema, Stasis eczema, psoriasis
	Xenocort Ointment	Clobetasol	Topical Steroid	Hyper acute eczema, chronic

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications		
	Xenocort Cream	Propionate BP		hyperkeratotic eczema, chronic hyperkeratotic psoriasis, acute light sensitivity		
ANTIOXIDANTS	EC-Plus Tab	Vit. E + Vit. C	Antioxidant/Vitamins	Coronary Heart Diseases, Stroke, Early aging, Atherosclerosis, Diabetic mellitus, Tumors and cancers		
ANTIHYPERTENSIVES	Betacal Tab	Atenolol + Amlodipin	Beta Blocker + Calcium Channel Blocker	Hypertension, Angina		
	Bisoloc 2.5 Bisoloc 5	Bisoprolol Fumarate	Beta Blocker			
	CCB -5 Tab	Amlodipine	Calcium Channel Blocker			
	Lopres 50 Tab Frulac Tab	Atenolol	Beta Blocker			
	Frulac 40 Tab	Spironolactone + Frusemide	Antimineralocorticoid + Loop diuretic	Congestive Heart Failure, Essential Hypertension, Edema, Ascites due to liver cirrhosis		
	Losan 25 Tab Losan 50 Tab Losan 100 Tab	Losartan Potassium	Angiotensin 2 Receptor Blocker	Hypertension, Heart Failure		
	Losan Plus Tab	Losartan Potassium + Hydrchlorthiazide	Angiotensin 2 Receptor Blocker + Thiazide			
	LIPID LOWERING DRUGS	Fenocap Cap	Fenofibrate	Peroxisome Proliferator Receptor alpha Agonist	Hyperlipidemia of types IIa, lib, III & IV	
Lipex 10 Tab Lipex 20 Tab		Atorvastain Calcium	2 nd generation Statin	Ensure better lipid management with higher strength, Dyslipidemia		
Rovex 5 Rovex 10		Rosuvastatin	3 rd Generation Statin	Diabetic or Cardiac patient with High Cholesterol level, Any patients with High Cholesterol level		
ANTITHROMBOTICS		Clognil 75 Tab Clognil Plus Tab	Clopidogrel Clopidogrel + Aspirin	P2Y12 Platelet Inhibitor P2Y12 Platelet Inhibitor + NSAIDs	Ischemic events, Myocardial Infarction, Ischemic Stroke, Acute Coronary Syndrome, Peripheral vascular diseases	
	Opagrel-5 Tab Opagrel-10 Tab	Prasugrel	P2Y12 Platelet Inhibitor			
	ANTIANGINALS	Angimet Tab	Trimetazidine Dihydrochloride INN 20	Cytoprotective anti-ischemic agent		Angina, Myocardial Infarction, Heart Failure
		Angimet MR Tab	Trimetazidine Dihydrochloride BP Modified Release Tablet			
	Nitrocap Cap	Nitroglycerin USP	Vasodialator	Angina, Heart Failure, Pulmonary Hypertension		
ANTIDIABETICS	Oclazid Tab Oclazid MR Tab	Gliclazide Gliclazide MR	Sulfonylureas	Treatment of maturity -onset stable diabetics when dietary modification has failed to control hyperglycemia		
	Ormin 500 Tab Ormin 850 Tab	Metformin Hydrochloride	Biguanides	As monotherapy, as an adjunct to diet to lower blood glucose in patients with NIDDM, as adjunct therapy for IDDM with insulin		
	Stimulin 1 Tab Stimulin 2 Tab	Glimepiride	Sulfonylureas	As an adjunct to diet and exercise for the management of Type-2 diabetics, patients whose hyperglycemia cannot		

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
				controlled by diet and exercise alone
VITAMINS & MINERALS	Maxical Tab	Calcium 500 mg	Mineral	Calcium deficiency, Osteoporosis
	Combivit IV/IM Inj	Vitamin B Complex	Vitamin	Pre & post-operative treatment when requirements are increased as in fever, severe burns, deficiency of Vitamin-B complex, Healing wounds
	Goldage Tab	Multivitamin + Multimineral	Multivitamin + Multimineral	For the prevention & treatment of vitamins and mineral deficiencies
	Silvage Tab			For the prevention & treatment of vitamins and mineral deficiencies for patients over 45 age
	Gold Kid	Multivitamin with cod liver oil	Vitamin	For the prevention & treatment of vitamins and mineral deficiencies, children with increased requirement for vitamins
	Glory Capsule	Carbonyl Iron ph	Mineral	Prevent low blood levels of iron during anemia or pregnancy)
	Heptamin Cap	Iron,Folic Acid, B-Vitamins & C-Vitamin	Vitamin + Mineral	For the treatment of iron & vitamin deficiencies
	Livit-C	Ascorbic Acid	Vitamin	Scurvy, common cold, influenza, gingivitis, wound healing, maintaining healthy blood vessels
	Maxical D Tab	Calcium + Vitamin D ₃	Vitamin + Mineral	Osteoporosis, rickets, osteomalacia & tetany, supplements during pregnancy & lactation, Calcium & Vitamin D deficiency
	Maxical M	Calcium + Vitamin C + Vitamin E + Multimineral	Vitamin + Multimineral	Osteoporosis, Softening of bone, supplement in pregnancy, maintaining strong & healthy bone
	Maxical DX	Calcium 600 mg + Vit D3 400 IU	Calcium Supplement	Calcium supplement during pregnancy, osteoporosis, calcium deficiency, osteoarthritis
	Newage Tab	Multivitamin + Multimineral	Multivitamin + Multimineral	Provide vitamins and minerals throughout the pregnancy & during postnatal period for both lactating and non-lactating mothers
	Orioplex Tab	Vitamin B Complex	Vitamin B Complex	Vitamin B deficiency
	Orioplex-M Tab	Multivitamins + Minerals	Multivitamins + Minerals	
	Orioplex 100 ml Syrup Orioplex 200 ml Syrup	Vitamin B Complex	Vitamin B Complex	
	Tone	Thiamine hydrochloride	Vitamin B1	Metabolic disorders, Thiamine deficiency
	Zimplex Syrup	Iron+Zinc+Vit B-Complex	Vitamin & Mineral	Iron & vitamin deficiency
	Pep Syrup Pep-2 100 ml Syrup Pep-2 200 ml Syrup	Zinc	Zinc	Impaired immune function, diarrhoea, pneumonia, common cold, growth retardation, loss of

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Pep-20 Syp	Zinc +Vit B-complex	Zinc +Vit B-complex	appetite
	Pep-20 Tab			
	Pep-plus 100 ml Syp			
	Pep-plus 200 ml Syp			
	Pep-plus Tab			
HAEMATINICS	ESP Cap	Zinc Sulphate + Folic Acid	Mineral	Correction of Zinc & folate deficiency like growth retardation, immunological dysfunction, anemia in pregnancy, fatigability
	Ferrolin TR Cap	Ferrous Sulphate + Zinc Sulphate + Folic Acid		Prophylaxis of Iron, Folic acid and Zinc deficiency specially during pregnancy and lactation
	Feroven Inj	Iron Sucrose		Rapid supply of iron in emergency conditions such as anemic pregnant women, women of child bearing age especially those with heavy menstrual loss, frequent blood donors
	Feroven IV Infusion	Iron Sucrose with normal saline		
NSAID	Dexpro 300 Tab	Dexibuprofen	Active dextrorotatory enantiomer of ibuprofen	Osteoarthritis, rheumatoid arthritis, ankylosing spondylitis, primary dysmenorrhea, dental pain
	Dexpro 400 Tab			
	Fevac Susp	Paracetamol	Analgesis & antipyretic	Fever, Pain
	Hedex Tab	Paracetamol + Caffein	Analgesis & antipyretic + CNS stimulant	Headache & migraine, fever & flu, toothache & earache, sore throat, dysmenorrhea, rheumatic & muscular pain
	Ketorin Inj	Ketorolac	Pyrrolo-pyrrole group of NSAID	Moderate to severe pain, post operative pain, post partum pain, pain associated with trauma, musculoskeletal pain
	Ketorin Tab			
	Noak Tab	Aceclofenac	Analog of Diclofenac	Pain and inflammation in osteoarthritis, rheumatoid arthritis, ankylosing spondylitis, primary dysmenorrhea, dental pain
	Orfenac TR Cap	Diclofenac Sodium	Benzene-acetic acid derivative	
	Orfenac Plus Inj	Diclofenac & Lidocain		
	Orket Inj	Ketoprofen	Propionic acid derivative	Rheumatoid arthritis, Ankylosing spondylitis, sports injury, orthopedic procedure, migraine, trauma, surgery
	Tendonil Cap	Acemetacin	Cyclooxygenase inhibitor	Low back pain, rheumatoid arthritis, osteoarthritis, post-operative pain
	Tenorex Tab	Tenoxicam	Cyclooxygenase (Cox-2) inhibitor	Osteoarthritis, rheumatoid arthritis, ankylosing spondylitis, acute gout, tendinitis & Bursitis
	Eroflam 60	Etoricoxib		Pain and inflammation in osteoarthritis, rheumatoid arthritis, chronic musculoskeletal disorders, acute gout pain of dysmenorrhoea and pain following dental surgery.
	Eroflam 90			
	Venoxen 500 Tab	Naproxen	Propionic acid derivative	Pain and inflammation in rheumatic disease, Dysmenorrhoea, Acute gout
Novoxen 500 Tab	Naproxen &	Propionic acid	Osteoarthritis, rheumatoid	

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Novoxen 375 Tab	Esomeprazole	derivative & Proton Pump Inhibitor	arthritis, ankylosing spondylitis and to decrease the risk of developing gastric ulcers in patients at risk of developing NSAIDs-associated gastric ulcers.
MUSCLE RELAXANTS	Baclon 5 Tab. Baclon 10 Tab.	Baclofen	Gamma-Aminobutyric Acid-ergic Agonist	Spasm & Spasticity, low back pain, GERD
	Eprel Tab	Eperisone Hcl	Antispastic	Spastic paralysis in conditions such as cerebrovascular disease, Spastic spinal paralysis, Cervical spondylosis
ANTI DEMENTIA	Memogen Tab	Memantine	NMDA receptor antagonist, 5-HT3 antagonist, Nicotinic antagonist, N-methyl-D-aspartate Receptor Antagonist	Symptomatic treatment of mild to moderate dementia of Alzheimer's type
ANXIOLYTICS & ANTIDEPRESSANT	Bromazep Tab	Bromazepam	Benzodiazepine	Anxiety & tension states, Anxiety associated psychological problems & hypertension
	Rivo 0.5 Tab	Clonazepam	Benzodiazepine	Panic attack, Epilepsy, Drug-induced dyskinesia, Resistant depression, Nocturnal myoclonus, Trigeminal neuralgia
	Rivo 2 Tab			
	Timex Tab	Clomipramine	Tricyclic antidepressant	Psychogenic depression, Depressive neuroses, Masked depression, Psychosomatic affections accompanied by anxiety and apathy, Menopausal depressions, Dysphoria and depression in alcoholics and drug-addicts
U4 Tab	Flupentixol + Melitracen	Typical antipsychotic +Tricyclic antidepressant		
ANTIPSYCHOTICS	Rispa 1 mg Tab	Risperidone INN	Atypical antipsychotic	Acute and chronic schizophrenic psychoses, and other psychotic conditions, in which positive symptoms (such as hallucinations, delusions, thought disturbances, hostility, suspiciousness) and/or negative symptoms (such as blunted affect, emotional and social withdrawal, poverty of speech) are prominent.
	Rispa 2 mg Tab			
NERVE REGENERATING AGENT	Nervex Tab	Mecobalamin	Active co-enzymes of vitamin b ₁₂	Peripheral neuropathies, Vertebral syndrome, Diabetic neuropathy, Parkinson's disease, Drug induced neuropathy, Nerve compression syndrome, Entrapment neuropathy, Alzheimer's disease, Bell's palsy, Multiple sclerosis, Intercostal neuralgia, Diabetic retinopathy, Amyotrophic lateral sclerosis, Lumbago
ANTI NEUROPATHICS	Xil Cap	Pregabalin	Analogue of gamma-aminobutyric acid (GABA)	Neuropathic pain, fibromyalgia, seizures/epilepsy, GAD (Generalised anxiety disorder)
	Xil-50 Cap			

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications	
	Nugesic Tab.	Vitamin B 1+ Vit. B 6+ Vit. B 12	Vitamin	Neuropathy, Neuritis, Neuralgia, Cervical Syndrome, Shoulder Arm Syndrome, Lumbago, Sciatica, Myalgia, Intercostal Neuralgia, Trigeminal Neuralgia and Arthritis.	
PDE5 INHIBITORS	Fulfeel Tab	Sildenafil	PDE5 inhibitors	Indicated for the treatment of erectile dysfunction. Sexual stimulation is required for the effectiveness of Fulfeel.	
	Refeel	Tadalafil			
ANTIHISTAMINES	Broket Tab	Ketotifen	Histamine-1 Receptor Inhibitor	Prophylactic treatment of bronchial asthma, Symptomatic treatment of allergic conditions including rhinitis and conjunctivitis.	
	Broket Syp				
	Cloramin Syp	Chlorpheniramine Maleate	Sedating antihistamines	Urticaria, sensitivity reactions, angioneurotic oedema, seasonal hay fever, vasomotor rhinitis, cough, common cold, motion sickness.	
	Deslor Tab	Desloratadine	Histamine-1 Receptor Antagonist	Seasonal and perennial allergic rhinitis, such as sneezing, nasal discharge & itching, congestion/stuffiness, ocular itching, tearing and redness, itching of palate and coughing.	
	Deslor Syp				
	Deslor Kidz				
	Nosedex Tab	Fexofenadine HCl	Histamine-1 Receptor Antagonist	Seasonal Allergic Rhinitis, Chronic Idiopathic Urticaria	
	Riz Tab	Cetirizine Dihydrochloride		Histamine-1 Receptor Antagonist	Seasonal allergic rhinitis and conjunctivitis, perennial allergic rhinitis, pruritus and urticaria of allergic origin
	Riz Syp				
	Rupenta Tab	Rupatadine	2 nd generation Histamine-1 Receptor Antagonist	Seasonal and perennial allergic rhinitis, such as sneezing, nasal discharge & itching, congestion/stuffiness, as well as ocular itching, tearing and redness, itching of palate and coughing.	
ANTI ASTHMATICS	Orsal Syp	Salbutamol	Beta2-adrenergic agonist	Asthma, bronchospasm and reversible airways obstruction by widening the airways of the lungs.	
	Arovent 10 mg Tab	Montelukast	Leukotriene Receptor Antagonist	Indicated for the prophylaxis & chronic treatment of asthma in adults & pediatric patients.	
	Arovent-5 mg Tab				
	Neulyn Tab	Theophylline SR	Methylxanthine	Control of acute asthma, management of chronic asthma, controlling of nocturnal asthma & early morning wheezing	
ANTI COUGHS	Ambronil Syp	Ambroxol HCl BP	Metabolite of BROMHEXINE	Productive cough, Acute and chronic inflammatory disorders of upper and lower respiratory tracts associated with viscid mucus, Asthmatic bronchitis, Bronchial asthma with thick expectoration, Chronic pneumonia.	
	Ambronil Drops				
	Deconil SR Tab	Butamirate Citrate	Cough suppressant	Dry cough of any etiology, cough due to lower respiratory tract infections, pre & post-	
	Deconil Syp		Opium alkaloid		

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications	
				operative cough	
	Flegnil Susp	Carbocisteine	Mucolytic	Adjunctive therapy for specific respiratory tract disorder, ensures expectoration & improvement in ventilation	
	Flegnil DS Susp				
	Axofyl 200 mg Tab	Doxofylline	Xanthine Derivatives (Bronchodilator)	Asthma, COPD, Bronchospasm	
	Axofyl 400 mg Tab				
ANTICANCER	Enliven	Imatinib Mesylate	Antileukemic	Philadelphia chromosome positive Chronic Myeloid Leukemia (CML) in all 3 phases, Gastrointestinal Stromal Tumors	
DRUG FOR URINARY RETENTION	Tamlosin Tab	Tamsulosin	Alpha blocker	Benign Prostatic Hyperplasia, Urinary Incontinence, BPH symptoms like Hesitancy, intermittency, terminal dribbling	
ANTACIDS	Marvelta Susp	Sodium Alginate & Potassium Bicarbonat	Acid neutralizer	Symptoms of gastro-oesophageal reflux, such as acid regurgitation, heartburn and indigestion (related to reflux), for example, following meals or during pregnancy or in patients with symptoms related to reflux esophagitis.	
	Novelta 200 ml Susp	Magaldrate + Simethicone		Hyperacidity, gastric and duodenal ulcer, gastritis, heartburn, dyspepsia, gastroesophageal reflux. Novelta is also indicated for the relief of flatulence, abdominal distention and windy colic.	
	Novelta 100 ml Susp				
	Novelta Chewable Tab				
ANTIULCERANTS	Ortac Tab	Ranitidine	H ₂ antagonist	Gastric and duodenal ulcer, Prophylaxis and treatment of NSAID-induced ulcer, Gastro-oesophageal reflux disease (GERD), Zollingerelision syndrome, Acid related dyspepsia, Heartburn.	
	Ortac Inj				
	Procap 20 Cap	Omeprazole	Proton-pump inhibitor	Benign gastric and duodenal ulcers including those complicating NSAID therapy, erosive reflux oesophagitis and for disorders associated with hypersecretion of gastric acid, such as the Zollinger-Ellison syndrome.	
	Procap 40 Cap				
	Procap 40 IV Inj	Lyophilized Omeprazole BP			
	Exor-20 Cap	Esomeprazole			Treatment of Gastroesophageal Reflux Disease (GERD), Healing of erosive esophagitis, Maintenance of healing of erosive esophagitis, Symptomatic relief of Gastroesophageal Reflux Disease (GERD), Risk reduction of NSAID associated gastric ulcer, H. pylori eradication (Triple therapy)
	Exor-40 Cap				
Exor-40 IV Inj					
LAXATIVES	Ezylax 100 ml Syp	Lactulose			Synthetic disaccharide
	Milk of Magnesium	Magnesium Hydroxide	Antacid	Constipation, heart-burn, gas and nausea. Acute & chronic constipation due to hyperacidity	

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
				and peptic ulcer.
	Magalax Emulsion	Magnesium hydroxide & Liquid Paraffin		Constipation, Hyperacidity with constipation, Anorectal disorder, Post-operative constipation, Constipation associated with chronic cholecystitis.
ANTI FLATULENT	Pedicon PD. 10 ml Drops	Simethicone	Mixture of polydimethylsiloxane and hydrated silica gel.	Flatulence, Abdominal discomfort, Infant Colic
	Pedicon PD. 15 ml Drops			
GASTROPROKINETICS	Cosy Tab	Domperidon	Antiemetic	Nausea & Vomiting, non ulcer dyspepsia, fullness and abdominal distension, heartburn
	Cosy 100 ml Susp			
	Cosy 60 ml Susp			
	Anvert Tab	Meclizine & Pyridoxine		Post-operative Nausea and Vomiting, Chemotherapy-Induced Nausea and Vomiting
	Palostar 0.5 mg Tab	Palonosetron		
	Palostar 0.075 mg/ 1.5 ml Inj			
ANTISPASMODICS	Alve Tab	Alverin citrate	Antispasmodic	Irritable Bowel Syndrome, Abdominal pain associated with menstrual periods (Primary dysmenorrhea)
	Onium Tab	Tiomonium	Antimuscarinic	Gastroenteritis, enterocolitis, diarrhea, cholecystitis, dysentery
	Onium Inj			
	Onium 50 ml Symp			
	Onium Syp			
BONE MODULATING AGENT	Boncare Tab	Ibandronic Acid	Bisphosphonate	Prevention & treatment of osteoporosis in women (especially postmenopausal). Prevention & treatment of osteoporosis in men.
	Ralox Tab	Raloxifene HCL	Estrogen Agonist/Antagonist	Treatment and prevention of osteoporosis in postmenopausal women
ANTI EMETICS	Onasia Tab	Ondansetron	Serotonin-3 Receptor Antagonist	Nausea & Vomiting
	Onasia Oral Solution			
	Onasia Inj			
ANTI GOUT	Fostat-40 Tab	Febuxostat	Inhibitor of xanthine oxidase	Chronic gout and hyperuricemia
ANTI FIBRINOLYTIC	Oranex Cap	Tranexamic Acid	Antifibrinolytic	Bleeding due to trauma, Heavy menstrual bleeding, Surgery
OPIOID ANALGESIC	Novodol Tab	Tramadol & Paracetamol	Opioid analgesic	Treatment of moderate to severe pain, such as post surgical pain, acute and chronic low back pain, osteoarthritic pain, dental pain, muscle pain etc.






OUR STRATEGIC OBJECTIVES

Setting good and functional business strategic objectives, plans and adherence to them strictly are critical factors to the achievement of the mission and vision set. If we can establish a well-formulated and executed strategy, we can make sure of a strong foundation against which we can create, monitor and measure their success. The existing business strategies of OPL assist us in understanding more about ourselves and where we are going. Considering major issues or factors that need to be focused on, our business strategy outlines what are the goals of our business, how we will go about attaining these goals, direct all people and prevent them from losing sights of the company's aim.



- 1 **Branding** 
- 2 **Diversified products** 
- 3 **Expand footprint** 
- 4 **Customer focus** 
- 5 **Financial Strength** 
- 6 **Operation model** 
- 7 **Competition** 
- 8 **Eco friendly operation** 
- 9 **Employee motivation** 
- 10 **Community engagement** 

The identified strategic objectives and plans are directly linked to the company's mission, vision, business model and value chain model. Some are important for value creation and some are as a part of responsible corporate citizen. The long term objectives are targeted to be achieved by around ten (10) years and a few strategic plans are carried out considering a time horizon of around five (5) years required to accomplish the plan while a few are already in process to get result within the financial year. The management team headed by the Managing Director meets on a quarterly basis to monitor and review the update on realization of these plans.




Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
1. Uphold Brand Image				
	<p>Provide quality products to promote brand</p> <p>Delivering Quality is of utmost importance in the pharmaceutical industry. With the best quality a company gains the confidence and loyalty of consumers. Orion Pharma Limited strives to provide its customers essential general drugs of the finest quality. As far as quality is concerned, we are always in search of excellence. The best raw materials are used that have increased dissolution rate to ensure rapid onset of action and products of higher stability.</p> <p>Invest in brand promotion both in local and overseas market</p> <p>Orion Pharma Limited will make more investment both inside and outside Bangladesh in order to increase brand awareness and promotion. With a view to establishing strong brands in the market, Orion Pharma Limited selects brands on a quarterly basis to promote them further. We also attend different doctor conferences and trade fairs overseas to promote our medicines.</p> <p>Extensive promotion of new brands</p> <p>Launching of new product is one of the most important endeavors for any pharmaceutical company to gain a substantial share out of it. Orion Pharma Limited gives special importance to promotion of new brands. New strategies are formulated to create awareness and promote the new brands.</p>	<p>Financial capital</p>  <p>Social and relationship capital</p> 	<ul style="list-style-type: none"> Marketing including international marketing department 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> Turned Maximox as an emerging flagship brand that was only launched last year Achieved ISO 9001: 2015 certificate Held promotional campaign all around the year including 'Exor Day' <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> Continue establishing more selective products as emerging flagship brands Conversion of selected medicines to Aqueous Coating from Organic Coating Select Star & Focus brands on a quarterly basis, considering market trend and market potentiality Product-specific special promotional campaigns along with occasion based campaigns

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
2. Diversify the product range				
	<p>Build a strong product research and development team</p> <p>Product research and development is very crucial in the pharmaceutical industry. Orion Pharma Limited is no exception to this and the company takes every initiative to strengthen the research and development team, because they ultimately bring improvements in product lines.</p> <p>Assess both the opportunity and risk of new product development</p> <p>Orion Pharma Limited believes that adding a new product or entering a new market segment offers the opportunity for exponential growth. However, before deciding to develop new products, Orion Pharma Limited assesses both the opportunity and risk of new product development.</p> <p>Analyze whether the resources are available to develop new products or modify existing one</p> <p>Orion Pharma Limited analyzes resources available and develops strategies about the optimum use of these resources. We plan about personnel, materials and machinery required for diversifying our product range. The company sets a budget for the diversification program and secures the fund needed. After getting the list of products that have market potentiality, we also check to see if we can match with the machinery requirement or if the material sourcing will be feasible for us.</p>	<p>Intellectual capital </p> <p>Financial capital </p> <p>Human capital </p>	<ul style="list-style-type: none"> • Product Management Development • Production • R & D 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> • Due to main focus on shifting to the Pharma Park at Siddhirganj, we could not develop and launch any new product <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> • Enhance our R&D team's capability to develop further by equipping our new plant with advanced equipments and technologies • Launch new products according to market trend and condition • Develop specialized products such as hormone, oncology and cephalosporin
3. Expand portfolio footprint				
	<p>Perform due diligence before expansion of business overseas</p> <p>Orion Pharma Limited carries out an extensive 'due diligence' before expanding to international borders. The factors that it considers are Registration period, Tax Regulations, Market Size, Growth Potential, Competition Scenario etc.</p> <p>Continuous development of expansion strategies and research the market</p> <p>Orion Pharma Limited carries out ways to formulate and implement marketing strategies, once it decides the country where it will next market its medicines. In order to attain high growth and profitability in those countries, it develops customized strategies according to the countries.</p>	<p>Financial capital </p> <p>Human capital </p>	<ul style="list-style-type: none"> • Product Management Development • Marketing including international marketing department 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> • New export market in Somaliland • Delay in commencing the new pharma plant created hindrance to explore new export markets

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
3. Expand portfolio footprint				
	<p>Expansion in more emerging and regulated markets</p> <p>Orion Pharma Limited believes that emerging markets in Africa offer an attractive growth prospect, as several of these countries see rapidly rising incomes, better-informed patients, and expanding access to healthcare. Therefore, winning strategies are formulated so that we can enter into emerging markets. We have also target to enter regulated markets in North America and Europe, for which we will work on attaining required certifications and accreditation.</p>			<p>Plan for 2018-19:</p> <ul style="list-style-type: none"> • Market specific product, personnel and promotion to be carried out all around the year • Export sales volume to be increased by atleast 40% • Generate revenue from registered and emerging markets by starting export medicines there
4. Secure customer satisfaction and loyalty				
	<p>Recognize the needs and requirements of customers</p> <p>Orion Pharma Limited carries out an extensive survey to find out and understand the needs and requirements of customers. This is because customers ultimately provide and create value in the business and therefore understanding and catering to their needs is very essential.</p> <p>Maintain quality products to retain loyalty</p> <p>Orion Pharma Limited understands the fact that 'Quality' is critical to satisfying customers and retaining their loyalty. The concerned departments over here work very hard to maintain and improve the quality of the products by using the best raw materials and latest technology.</p> <p>Respond to customers within a reasonable time</p> <p>Customers expect to be responded to within a short span of time with appropriate service. Orion Pharma Limited always responds back to customers regarding any queries or services, within the shortest span of interval.</p>	<p>Social and relationship capital</p>  <p>Financial capital</p> 	<ul style="list-style-type: none"> • Product Management Development • Marketing including international marketing department • Quality Assurance • Quality Control 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> • Three (3) Product complain forms were received and dealt accordingly as per our SOP on management of customer complain • Strictly complied with the annual budget approved with respect to regular communication with potential and emerging customers <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> • Focus on the right brand and right promotional channel thereby will propel to satisfy customers' need
5. Strengthen the Balance Sheet				
	<p>Uphold diverse funding sources</p> <p>Orion Pharma Limited maintains diverse funding sources to attain the most effective means of financing for the success of the organization. The company utilizes a combination of funding sources which helps to create more growth, opportunities and overall potential. We employ a balanced mix of debt and equity funding to maximize the return on capital employed.</p>	<p>Financial capital</p> 	<ul style="list-style-type: none"> • Finance • Sales • Accounts 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> • NAV increased by 2.72 % • EPS enhanced by 0.88%

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
5. Strengthen the Balance Sheet				
	<p>Positive cash flow</p> <p>We at OPL manage our cash flow and achieve our short term goals taking into account both the historical analysis and future targets. We aim to regularly maintain a minimum cash reserve to achieve our short term goals such as to pay our employees, trade payables and a host of other expenses. We manage cash flow through forecasting, budgeting and the use of variance analysis.</p> <p>Maintain the best possible working capital</p> <p>We at OPL strongly focus on achieving the best possible working capital level to fund the business' core operations, with the end goal of driving revenue and subsequently profit. We review our working capital requirements periodically as an inadequate level will reduce your ability to meet financial obligations whereas having too much idle cash could be coming at a massive opportunity cost to the business and be better utilized.</p>	<p>Social and relationship capital</p> 		<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> Foreign Financing extension from USD 34.28 million to USD 37.40 million from ODDO BHF Bank <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> Improve inventory management Make progress in managing accounts receivable turnover rate Deal with capital expenditure decision in a effective and timely manner
6. Build an extraordinary operation model				
	<p>Use state of the art technology</p> <p>Orion Pharma Limited uses the best technology that helps to maintain the quality of the medicines and enables the management to attain the most effective and efficient production process. OPL works to have the most output at the lowest cost possible.</p> <p>Maintain conservation of resources</p> <p>Orion Pharma Limited maintains the process of using the lowest amount of resources to generate the most amount of output. The company also believes in utilizing all kinds or resources meticulously as it abides by its responsibility towards the nation.</p> <p>Continuous review of operations</p> <p>Orion Pharma Limited carries out reviews of operation process on a continuous basis, to find out bottlenecks, upgrade where necessary and remove unnecessary processes to save both time and cost.</p>	<p>Manufactured capital</p> 	<ul style="list-style-type: none"> Production Quality Control Quality Assurance Engineering and maintenance Commercial PPIC Supply chain Management 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> Installed machineries with facilities to detect contamination like HEPA filter, metal and microbial detector Formed different committees by management to ensure operational excellence for areas of priorities <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> Focus on Revenue Earning and Chronic Care products Work on different types of manuals, handbooks, SOP for accounting, HR and procurement and store management

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
7. Overcome major competition				
	<p>Play by our competitive edge</p> <p>Orion Pharma Limited plays by its competitive advantage to beat the competitors. We have a strong foot step in Cardiovascular Drugs along with world leading generics in the product line. We also attain high quality API from world renowned suppliers.</p> <p>Prioritize customers</p> <p>Orion Pharma Limited uses a holistic approach to develop new go-to-market strategies that include customer prioritization models that ultimately result in customer loyalty, retention and more profit per customer.</p>	<p>Financial capital</p>  <p>Social and relationship capital</p> 	<ul style="list-style-type: none"> Marketing including international marketing department 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> Strictly complied with the annual budget approved with respect to sales and marketing strategies <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> Extensive promotional activities will be executed as per the customer criteria
8. Implement environment friendly practices				
	<p>Apply eco-friendly staff practices</p> <p>Orion Pharma Limited implements sustainable business practices and also encourages employees to live a sustainable, eco-conscious life. The idea of reducing both waste and consumption is highly supported in the office premises. The company supports and follows the concepts of recycling, reusing, carpooling etc.</p> <p>Implement environment-friendly production plan</p> <p>With the aim to reduce pollution in the environment, Orion Pharma Limited uses clean technology in its production process. The company's Environmental Management System (EMS) guarantees that it is operating without making the environment polluted. The company implements strategies in areas especially concentrating on Waste Management System, Air Pollution and Dust Emission.</p> <p>Adopt extra initiatives in the new Pharma Park</p> <p>In order to maintain the company's commitment to continue its eco-friendly practices, OPL's management will apply a number of extra initiatives exclusively for the new plant where strategies to reduce Carbon Impact or Emission will be adopted. The company also has formulated an Ecological Plan to conserve water and control dust.</p>	<p>Natural capital</p>  <p>Manufactured capital</p> 	<ul style="list-style-type: none"> Production Engineering and maintenance 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> We have effective waste management system through ETP, dust collecting system, steam filtration system and expired products management systems in practice Use of day light saving and energy-saving bulbs Initiatives undertaken inspired by the concept of Paperless office <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> Implement and monitor strictly the EMS as per the plan
9. Attract, retain and motivate employees				
	<p>Build a strong HR team to recruit the best employees</p> <p>Orion Pharma Limited believes that the Human Resources department plays a key role in the organizational effectiveness of a company. The company has a strong HR team that identifies and recruits the best and most competent employees.</p>	<p>Human capital</p> 	<ul style="list-style-type: none"> Human Resources Accounts 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> Modification in employee appraisal System

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
9. Attract, retain and motivate employees				
	<p>Offer attractive remuneration and benefits packages</p> <p>Orion Pharma Limited believes that to gain sustainability, the firm must contribute to the employees considering their needs according to the competitive market. Our philosophy is to make the appropriate compensation to the service they provide the company.</p> <p>Develop skills through training and development</p> <p>Training and development is a continuous process in Orion Pharma Limited throughout the year so that the continuous improvement of employees is ensured. As a diverse working place, OPL conducts training for ethical, cultural and social interactions.</p>	<p>Intellectual capital</p>  <p>Financial capital</p> 		<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> • Term life insurance covering health coverage for all employees • Employee Turnover rate reduced by 2% • 715 no. of employees received training facilities • 503 no. of employees received promotion • 5 work related injuries and 0 fatalities <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> • Update the Employee Handbook and make it more integrated and regulated • Bring improvements in all Employee performance and satisfaction related indicators • Develop further the organogram of all departments
10. Serve the community				
	<p>Quarterly review of CSR program and budget allocation</p> <p>Orion Pharma Limited believes that corporate houses have a sense of responsibility towards the society that must be fulfilled because the success of each has a huge impact on the other. The importance of corporate social responsibility has increased in recent years, largely due to the growing influence of millennial. The company reviews the CSR Program and its Budget Allocation on a quarterly basis, as OPL believes that CSR provides us long term growth and success by building a warm image of the entity, which is a reflection of the mind-set of the company.</p>	<p>Social and relationship capital</p> 	<ul style="list-style-type: none"> • Company Affairs • Accounts • Medical Service 	<p>Achieved in 2017-18:</p> <ul style="list-style-type: none"> • 6 CSR and humanitarian programs were undertaken • BDT 9.2 million spent on CSR <p>Plan for 2018-19:</p> <ul style="list-style-type: none"> • Explore new area for CSR program

PRODUCT STEWARDSHIP

Product stewardship is an integral part of business operation and culture of OPL. Product stewardship occurs when all involved stakeholders in the lifecycle of a product take responsibility to reduce or eliminate the risk of unfavorable environmental, health and safety impacts to gain the utmost value from a product. OPL takes the responsibility for sustainable practices to ensure products are managed safely throughout their lifecycle from handling of raw materials to disposal or recycling of the materials and products.

At OPL internal policies and procedures have been designed and established in the areas of research and development, production, marketing and sales to reduce the negative impact of OPL's business operations on health and environment. Regular inspections are conducted to verify the implementation of the policies and management is informed regularly about the status and deviations if there is any and corrected on an urgent basis.

The safe handling of chemicals and materials is a top priority in the manufacturing of our products. If any material is found hazardous where safeguard fails then that material is replaced or banned. We maintain close contacts with our suppliers and ensure that they reassure conformity with our safety standards for the substances they supply and if suppliers deliver sub

standard materials or cannot meet our standards, we do not continue business with them. Safety Data Sheets are maintained and accessible for employees in the factory for information like hazardous materials and waste disposal guidance etc.

OPL always wants to establish the processes which can quickly respond to changes that can affect product safety. All substances and finished products undergo extensive testing and evaluation to ensure a high degree of safety.

Our factory has been designed in such a way that both solid and liquid wastes, waste water, dusts are handled properly and no waste or dust are freed to the environment. Again all the raw materials are handled safely and factory workers are fully risk free and are not prone to health risks. So we are safer and more sustainable in how we make and use products.

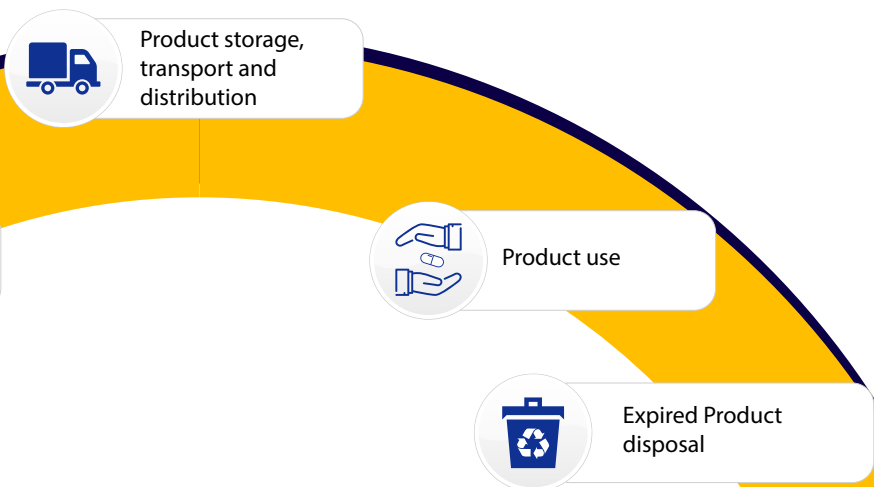
Stringent and rigorous product testing is performed before any product is introduced to the market from the perspective of safety provisions of people and environment and is subject to specific approval or authorization procedures. OPL ensures that the products are compliant with rules and regulations of Bangladesh Food & Drugs

Authority and do not have any negative effect on health and environment. Each and every ingredient is to be fully compliant which results in the fully compliant final product.

Compliance is not only restricted to the medicines available to the consumers, it also covers the packaging. Safety features prescribed by the concerned authority are to be mentioned on the outer packaging of the products.

Monitoring our products in the market is also an element of our product stewardship. Strict monitoring is done from the perspective of counterfeiting as well as finding problems in our products. We address the risks and take actions immediately to mitigate and eliminate the risks and problems. We have take-back programs for the unused medicines in the market and have our disposal policies for such products.

OPL cares about people and environment. Our product stewardship programs run at every stage of the product life cycle- research and development, procurement, production, distribution to disposal of the unused products. OPL accepts the full responsibility of its products over the whole life cycle.



BUSINESS OPPORTUNITIES

The pharmaceutical sector is one of the most promising sectors in Bangladesh which is currently contributing significantly in the country's economy. The pharmaceutical industry is at a vital stage at the moment and this sector has a bright future because as the economy develops and people's income level rises, awareness about healthcare also increases in the society which directly has a positive impact upon the business.

As a renowned company in local and overseas market, Orion Pharma Limited (OPL) has broad scope for gaining sufficient shares with its diversified products. The management of OPL believes that increasing demand for quality drugs and medicines; and a growing emergence of chronic diseases will help to boost sales and market share of OPL.

OPL has also the scope to increase both its capacity and productivity when necessary. Our plant can adjust with

changes in market demand and supply accordingly. Our production capacity is decent for current demand and extendable to further demand.

OPL will soon start the production of medicines in our world-class Pharma Park in Siddhirganj, Narayanganj. While introducing products from the new plant, innovation in molecule and dosage form is going to be emphasized in every step.

In order to grow and develop in the future and to provide our healthcare facility globally, we must also expand

beyond borders and go international. Our footprint in international market is remarkable and it is expanding throughout the world. We have our networks in many countries of the world and are also in the process of registering our products and exploring business opportunity in countries described on pages



Exor[®] DAY

Exor is the extraordinary Esomeprazole of Orion Pharma Ltd. in Bangladesh. As a continuation of its diverse promotional effort to establish Exor as a megabrand, Orion Pharma Ltd. has organized very special campaign by the name Exor Day every month. On Exor day every person related to sales and marketing promote Exor wearing Exor polo shirt using various promo materials of Exor. EXOR is made by DMF grade raw materials and DMF grade raw materials save patient from cancer. Canadian cancer society uses yellow color to symbolize fight against cancer. So to symbolize the 'cancer prevention by DMF grade raw material' every colleague wear yellow t-shirt on EXOR day. Doctors of Bangladesh have already appreciated this initiative. This EXOR day not only gained appreciation from leading doctors of Bangladesh, it gained trust for our product quality and created spirit to work more for better services to doctors and patients.



PHARMA PARK



To cope up with the changes in the global landscape of pharmaceutical market, including changing the rapid pace of innovation in terms of pharmaceutical technology, regulatory requirements and treatment options, Orion Pharma Limited is constructing a Pharmaceutical Complex, one of the finest facilities for pharmaceuticals finished products, at Siddhirganj, Narayanganj, Bangladesh.

The Pharmaceutical Complex is going to be the biggest Pharma Park of the country and so far the finest and most comprehensive pharmaceutical in Bangladesh where a complete array of pharmaceutical facilities and solutions in one complex will be established. The construction work of General Pharma Production Building of about 44,000 square feet has already been finished and is now ready to go for operation after getting approval from the regulatory authority. Besides, the site houses other supplementary infrastructures including utility and admin building, ETP building, warehouse, gate house etc. Other production buildings including General Pharma 1 (extension), Cephalosporin, General Pharma Building 2, Oncology, Hormone and Injectable are currently under development stage. This unique establishment has been designed to follow all latest global standards like USFDA, UK MHRA, Health Canada, and Australian TGA. While introducing products from this new plant, innovation in molecule and dosage form is going to be emphasized in every step.

In terms of pharmaceutical plant design, engineering, and construction, varieties of dosage forms, pharmaceutical technology, covered area, waste management monitoring system and eco-friendliness this new plant will be one of a kind in the pharmaceutical industry. The plant's utility infrastructure has been designed including water purifier facility, steam, boiler, compressor, generator etc. to ensure adequate supply of water, electricity and gas. Besides, we have a central ETP from Effwa, India for the whole Pharma Park. It's neutralizing capacity is 3,75,000 ltr / day. Process effluent from all units will come through underground pipeline and will pass through different neutralizing process. And finally the treated water will be drained out or used for gardening.

The production site will follow best practices for fire, water and air management systems and employee health and safety issues.

Pharma Park at a glance

Location	Sumilpara Siddhirganj Narayanganj -1431 Bangladesh
Area	20.85 acre
Production lines	
Solid	Tablet (Uncoated, coated, effervescent, bi-layered), Powder for suspension, Sachet
Liquid	Syrup, Suspension, Drop, Sachet
Semisolid	Cream, Ointment, Gel, Suppository, Lotion
Injection	Ampoule, Vial (liquid, powder, lyophilized), Prefilled Syringe Metered Dose Inhaler (MDI)

Production facilities

General formulation
Oncology
Ophthalmic
MDI
Cephalosporin
Biotech
Hormone

AUTOMATION OF THE PLANT

- Central building management system
- Fully validated dynamic software system as per GAMP-5

FIRE MANAGEMENT SYSTEM

- Intelligent addressable fire detection system
- Hi-tech fire fighting system
- Central computer monitoring & control

WATER MANAGEMENT SYSTEM

- Complete plant will be fully validated from Europe
- Most modern pre-treatment & softened water plant

AIR MANAGEMENT SYSTEM

- Individual air handing system with HEPA filter
- Precise temperature control system by software
- Precise humidity control system by software
- Precise pressure difference control system by software
- For critical product through Bag In Bag Out system

EMPLOYEE SAFETY ISSUES

- Complete personnel safety by using ISOLATOR
- Air shower & mist shower
- Most modern dressing system with separate breathing equipment

Pharma Park at a glance

Product categories

Oncology
Antidiabetic
Antihistamine
Antiviral
Vitamin & Mineral
Hormone
Cardiovascular
Antiulcerant
Respiratory
Anxiolytic & other CNS Ophthalmic
Antibiotic
NSAIDs
Metered dose inhaler (MDI)
Cephalosporin

SOME SNAPSHOTS OF OUR PHARMA PARK



Capsule Filling Machine



Bottle Washing Machine



Liquid Manufacturing Vessel



Blister Machine



Granulation Suite



Effluent Treatment Plant



Entrance of Production Building



Corridor of Production Floor



Water Treatment Plant



R&D Lab



QC Lab



PERFORMANCE
for the financial year ended
June 30, 2018

KEY FACTS & FIGURES



We are now
ISO 9001: 2015
certified company



We have started export to
Somaliland, total 11
international markets



We have introduced offering
term life insurance as employee
benefit scheme



Net Revenue **BDT 10,423.10 million**
Gross Profit **BDT 2,376.20 million**
Net Profit **BDT 801.76 million**
Earnings **Per Share BDT 3.43**
Cash Dividend Per Share **BDT 1.5**

CONSOLIDATED 5 YEARS' FINANCIAL HISTORY

	2017-18	2016-17	June 2016	2014	2013
Net Sales Revenue	10,423.10	9,534.35	14,799.74	10,706.70	11,011.88
Gross Profit	2,376.20	2,419.25	3,861.26	2,714.48	2,895.89
Operating Profit	965.18	968.87	1,608.70	1,168.66	1,093.09
Profit before Tax	953.63	959.58	1,593.86	1,147.31	1,073.42
Net Profit after Tax	801.76	794.50	1,323.07	994.09	908.86
Earnings before Interest, Tax & Depreciation (EBITDA)	2,343.97	2,377.60	3,763.93	2,886.66	3,045.12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Authorized Capital	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Paid up Capital	2,340.00	2,340.00	2,340.00	2,340.00	2,340.00
Shareholders' equity	17,054.21	16,602.52	16,377.82	15,793.92	15,264.07
Non-controlling interest	1,065.40	962.62	838.31	758.02	611.41
Total Equity	18,119.61	17,565.13	17,216.13	16,551.94	15,875.47
Total Current Liabilities	6,787.00	5,422.50	3,738.46	3,196.26	5,026.60
Total Non-current Liabilities	5,808.08	5,175.15	5,935.32	6,344.13	4,852.13
Total Non-current Assets	18,413.93	18,199.06	18,286.61	19,195.72	21,767.43
Property, Plant & Equipment	13,144.23	13,555.93	14,058.34	14,906.50	15,325.31
Total Current Assets	12,300.76	9,963.73	8,603.29	6,896.61	3,986.77
Total Assets	30,714.70	28,162.79	26,889.91	26,092.33	25,754.20
Net Current Assets/(Liabilities)	5,513.76	4,541.23	4,592.88	3,700.35	(1,039.83)

FINANCIAL RATIOS

Gross Profit Ratio (%)	22.80	25.37	26.09	25.35	36.30
Current Ratio (times)	1.81	1.84	2.30	2.16	0.79
Debt Equity Ratio (times)	0.80	0.70	0.64	0.65	0.62
Return on Equity (%)	4.70	4.79	8.08	6.29	5.72
Return on Capital Employed (%)	6.73	6.67	11.78	9.89	11.23
Price Earning Ratio –DSE (times)	12.08	14.94	6.51	10.71	14.46
Price Earning Ratio –CSE (times)	12.29	14.88	6.54	10.71	14.46

ORDINARY SHARES INFORMATION

Face Value per Share (BDT)	10	10	10	10	10
Quoted Price Per Share-DSE (BDT)	41.40	50.80	36.80	45.50	58.70
Quoted Price Per Share-CSE (BDT)	42.10	50.60	37.00	45.50	58.70
Number of Shares Outstanding	234,000,000	234,000,000	234,000,000	234,000,000	234,000,000
Dividend (Cash)	0.15	0.15	15%	15%	15%
Dividend (Stock)	-	-	-	-	20%
Net Asset Value per Share (BDT) (including revaluation surplus)	72.88	70.95	69.99	67.50	65.23
Net Asset Value per Share (BDT) (excluding revaluation surplus)	64.55	62.48	61.34	58.25	55.82
Net Operating Cash flow per Share (BDT)	9.38	9.62	16.62	13.98	10.74
Earnings per Share (BDT)	3.43	3.40	5.65	4.25	4.06
Number of Shareholders	34,515	48,863	63,949	86,806	107,173

OTHER INFORMATION

Number of Employees	2,527	2,287	2,223	2,085	2,086
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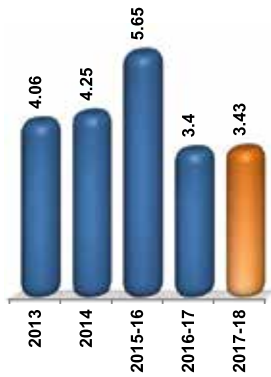
CONSOLIDATED ANALYSIS - HORIZONTAL & VERTICAL

Horizontal Analysis	2017-18	2016-17	June 2016	2014	2013
CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Net Sales Revenue	95%	87%	134%	97%	100%
Gross Profit	82%	84%	133%	94%	100%
Operating Profit	88%	89%	147%	107%	100%
Profit before Tax	99%	60%	139%	107%	100%
Net Profit after Tax	88%	87%	146%	109%	100%
Earning before Interest, Depreciation & Tax	77%	78%	124%	95%	100%
Earnings per Share ¹	84%	84%	139%	105%	100%
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Paid up Capital	100%	100%	100%	100%	100%
Shareholders' equity	112%	109%	107%	103%	100%
Non-controlling interest	174%	157%	137%	124%	100%
Total Equity	114%	111%	108%	104%	100%
Total Current Liabilities	135%	108%	74%	64%	100%
Total Non-current Liabilities	120%	107%	122%	131%	100%
Total Non-current Assets	85%	84%	84%	88%	100%
Property, Plant & Equipment	86%	88%	92%	97%	100%
Total Current Assets	309%	250%	216%	173%	100%
Total Assets	119%	109%	104%	101%	100%
Net Current Assets/(Liabilities)	(530%)	(437%)	(468%)	(356%)	100%
Vertical Analysis	2017-18	2016-17	June 2016	2014	2013
CONSOLIDATED STATEMENT OF PROFIT OR LOSS					
Net Sales Revenue	100.00%	100.00%	100.00%	100.00%	100%
Gross Profit	22.80%	25.37%	26.09%	25.35%	26%
Operating Profit	9.26%	10.16%	10.87%	10.92%	10%
Profit before Tax	9.15%	10.06%	10.77%	10.72%	10%
Net Profit after Tax	7.69%	8.33%	8.94%	9.28%	8%
Earning before Interest, Depreciation & Tax	22.49%	24.94%	25.43%	26.96%	27.65%
Earnings per Share ¹	34.26%	34.00%	56.54%	42.50%	40.60%
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Paid up Capital	7.62%	8.31%	8.70%	8.97%	9.09%
Shareholders' equity	55.52%	58.95%	60.91%	60.53%	59.27%
Non-controlling interest	3.47%	3.42%	3.12%	2.91%	2.37%
Total Equity	58.99%	62.37%	64.02%	63.44%	61.64%
Total Current Liabilities	22.10%	19.25%	13.90%	12.25%	19.52%
Total Non-current Liabilities	18.91%	18.38%	22.07%	24.31%	18.84%
Total Non-current Assets	59.95%	64.62%	68.01%	73.57%	84.52%
Property, Plant & Equipment	42.79%	48.13%	52.28%	57.13%	59.51%
Total Current Assets	40.05%	35.38%	31.99%	26.43%	15.48%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Net Current Assets/(Liabilities)	17.95%	16.12%	18.09%	14.18%	-4.04%

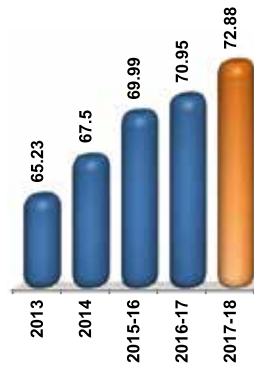
¹ Earning per share has been shown as a percentage of book value per share

CONSOLIDATED ANALYSIS - GRAPHICAL DATA

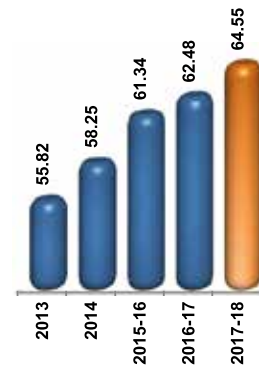
EARNING PER SHARE (BDT)



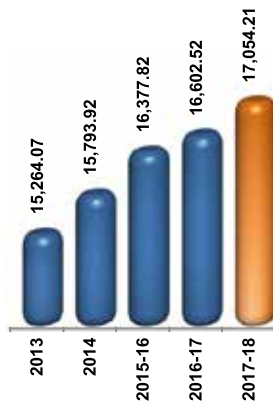
NAV PER SHARE (BDT) including rev. surplus



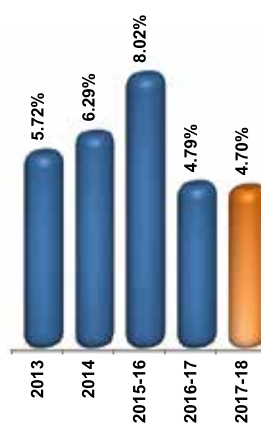
NAV PER SHARE (BDT) excluding Rev. Surplus



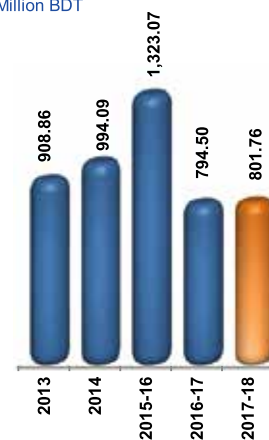
SHAREHOLDERS' EQUITY Million BDT



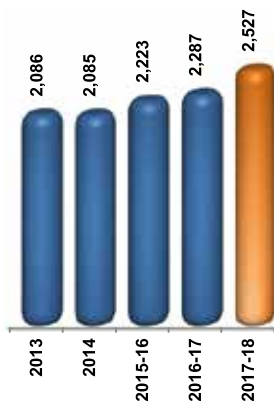
RETURN ON EQUITY



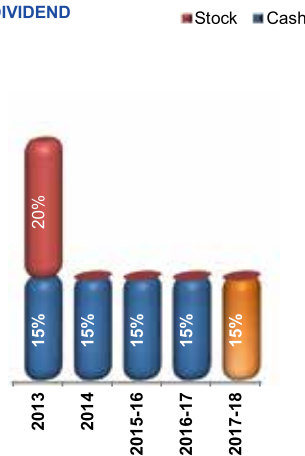
NET PROFIT AFTER TAX Million BDT



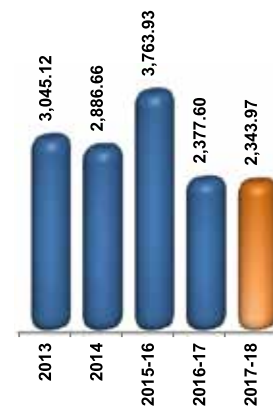
NO. OF EMPLOYEES



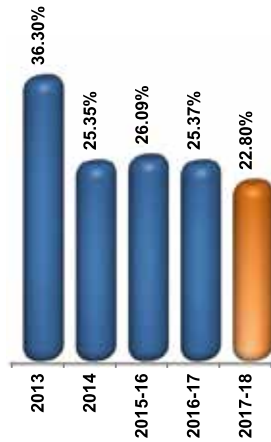
DIVIDEND



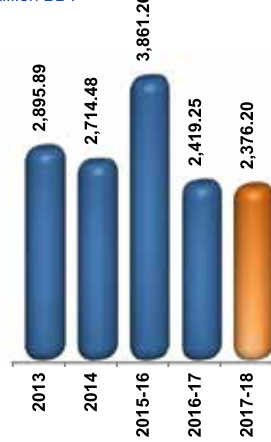
EBITDA Million BDT



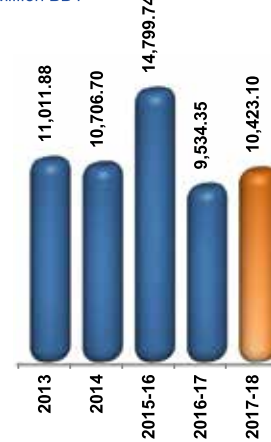
GROSS PROFIT MARGIN



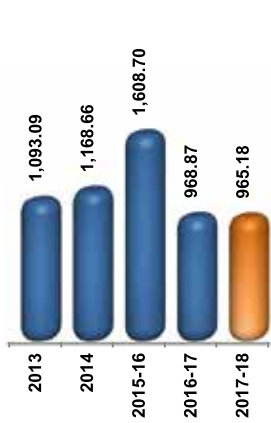
GROSS PROFIT
Million BDT



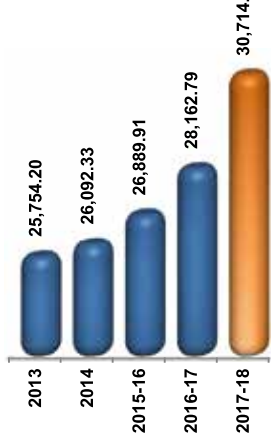
NET REVENUE
Million BDT



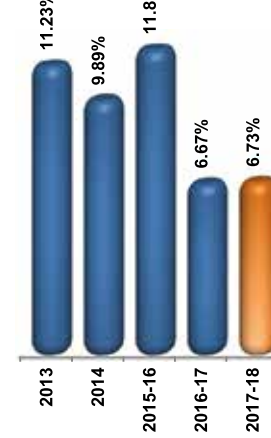
OPERATING PROFIT
Million BDT



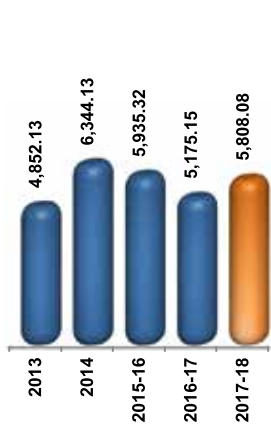
TOTAL ASSETS
Million BDT



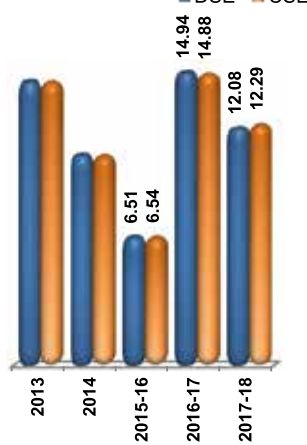
ROCE



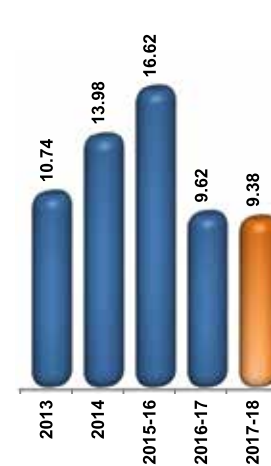
NON-CURRENT LIABILITIES
Million BDT



P/E RATIO



NOCF PER SHARE



CONTRIBUTION TO NATIONAL EXCHEQUER

Since its inception OPL has been trying to play a significant role in the contribution to the national economy. The collective contribution to the National Exchequer from being listed with Stock Exchanges in 2013 up to June 2017 was BDT 2,480.04 million of which, BDT 413.25 million was made in FY 2017-18 alone. Out of total BDT 413.25 million, BDT 38.48 million & BDT 250.18 million were made on account

of direct tax (income tax) charged against its own income and sales VAT respectively to Government treasury, BDT 98.10 million on account of Import Vat, Tax, Duty, SD on raw materials, packing materials, spare parts, Machineries & other assets and BDT 3.29 million as indirect payments on account of employees income taxes against salary paid and deducted at source.

We hope to increase this contribution it in the upcoming years. In order to be a valuable part of the Government's effort to establish a sustainable level of tax contribution the company will continue its support to Government by dint of increasing its contribution to National Exchequer in upcoming years.

Year-wise contribution to exchequer

Million BDT

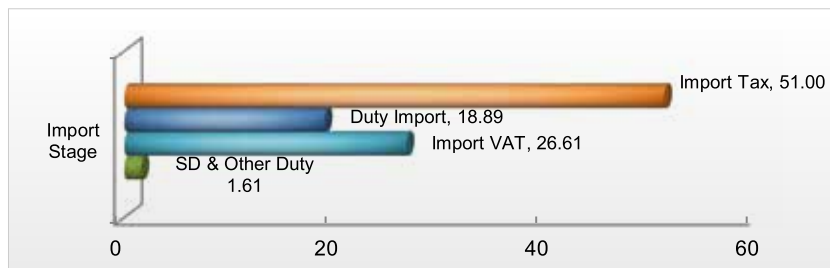
As of June 30, 2018



Import Stage-wise contribution to exchequer

Million BDT

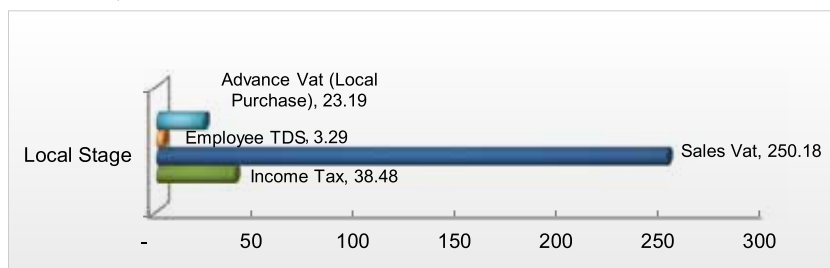
As of June 30, 2018



Local Stage-wise contribution to exchequer

Million BDT

As of June 30, 2018



STATEMENT OF THE CHAIRMAN



Our company started its journey with the vision to become a world-class pharmaceutical company in the field of generic finished products, and we have already been able to establish ourselves as one of the most reliable brands in the country.

Dear Fellow Shareholders,

Assalamualaikum Wa Rahmatullah

I welcome you all to the 53rd Annual General Meeting (AGM) of Orion Pharma Limited (OPL) and with immense pleasure I take this opportunity to present this year's integrated Annual Report. Our company started its journey with the vision to become a world-class pharmaceutical company in the field of generic finished products, and we have already been able to establish ourselves as one of the most reliable brands in the country. I am happy to inform you all that your company has done well this year compared to last year.

My dear Shareholders, your company strives to provide its customers essential general drugs of the finest quality. We always use the best technology available and implement the most professional approach when using the various machineries and equipments. I am delighted to declare that OPL is now ISO 9001: 2015 certified. In order to achieve the ISO 9001: 2015 certification, OPL has met the requirements set out in and have been audited by TUV Austria Bureau of Inspection & Certification (Pvt.) Limited in accordance with the 9001 standards. OPL previously held the ISO 9001: 2008 and recertification to new standard signifies a great achievement for the company.

It is a matter of great honor for me to inform you all that your company has achieved the 2nd position for the "Best Presented Annual Report – 2016" under the category: Manufacturing Sector, by ICAB. This is the 2nd time in a row that our company has been awarded this prominent honor. We have also been awarded the 2nd Runner-up position in the prestigious South Asian Federation of Accountants (SAFA) Awards in recognition of our excellence in financial disclosure at our Integrated Annual Report, 2016. The award ceremony took place in January 2018 at Nepal. It is a matter of great joy for all the employees and management of the company to have been achieved this international recognition for compliance & presentation of our Annual Report.

My dear Shareholders, let me take you all over the financial particulars now. You all will be delighted to know that this year your company attained a Consolidated Net Revenue of BDT 10,423.10 million as against BDT 9,534.35 million of the previous year, registering a positive growth of 9.32% over the previous year. During the present financial year, Consolidated Gross Profit stood at BDT 2,376.20 million the Consolidated Net Profit reached to BDT 801.76 million. The Consolidated Earnings per Share (EPS) for this year is BDT 3.43 and taking into account the financial performance of the company this year, your Board has recommended 15% Cash Dividend to be appropriated from the profits to the shareholders for this financial year.

Dear Shareholders, your company is aware about its responsibilities towards both the nation and the Government. Every year we make a significant contribution to the National Exchequer in the form of Corporate Tax, Value Added Tax (VAT) and different other duties every year. This year your company has contributed an amount of BDT 413.25 million which is equivalent to 20.90% of the company's Net Revenue.

My dear friends, with great happiness I inform you all that our Pharmaceutical Plant in Siddhirganj, Narayanganj, is now ready to go for operation after getting approval from the regulatory authority and we will soon start the production of medicines in our world-class Pharma Park. This unique establishment has been designed to follow all latest global standards like USFDA,

UK MHRA, Health Canada, and Australian TGA. While introducing products from this new plant, innovation in molecule and dosage form is going to be emphasized in every step.

I am pleased to inform that we have signed a Group Term-Life Insurance Policy with Delta Life Insurance Company Limited on June 12, 2018. This agreement will ensure the employees with financial benefits in case of death, Permanent & Total Disability (PTD) and Permanent & Partial Disability (PPD). The introduction of this scheme will further increase motivation and productivity to the employees and will assist to achieve organizational goals successfully.

All of you will be happy to know that we have gone one step further in exploring markets and from the last financial year have started exporting to Somaliland. We believe that this will help us generate more revenue and will also encourage us to go even further to other new markets.

Dear Shareholders, you are all aware that our overall business operation stands on the idea that we should not only be striving to make money but also bringing benefits to the society. Your company has been playing a vital role in performing social and humanitarian responsibilities in health and education sectors. Every year we invite medical students from different Government Medical Colleges all over Bangladesh to reward them with scholarships for their studies and in the financial year 2017-18, a total of seven (7) meritorious students were selected for this program. The company has also been successfully running the Enliven Patients Assistance Program (EPAP) from 2004 whereby we provide Enliven at subsidized price or free of cost for the underprivileged blood cancer patients in Bangladesh. In the financial year 2017-18, the company has enlisted and renewed twenty-five (25) patients under this program.

Other than these aforementioned programs, OPL also undertakes many other initiatives to help the needy in the society. For instance, during the month of Ramadan our company provided clothes and shoes to orphan children of two orphanages in Dhaka. Our company also provided food aids to the crisis-stricken Rohingya people during August 2017. Your company also took big steps towards the flood-affected people in Kurigram and helped many distressed families by establishing tin-shed houses, tube wells and sanitary toilets. The total expenditure for this year's CSR programs stood at BDT 9.19 million.

Dear Shareholders, I would now like to take the opportunity to thank you for your never ending support and confidence. I also appreciate all our valued stakeholders including business partners, customers, bankers, suppliers, government agencies and regulatory authorities. I am grateful to the management as they have done an admirable job in contributing to our success. I would like to applaud all our employees for doing a commendable job this year.

Thank you,

Sd/-

Mohammad Obaidul Karim
Chairman

চেয়ারম্যান-এর প্রতিবেদন

সম্মানিত প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহমাতুল্লাহ,

আমি ওরিয়ন ফার্মা লিমিটেড এর ৫৩তম বার্ষিক সাধারণ সভায় (এজিএম) আপনাদের সকলকে স্বাগত জানাচ্ছি এবং অত্যন্ত আনন্দের সাথে এ বছরের সমন্বিত বার্ষিক প্রতিবেদন আপনাদের সকলের সামনে উপস্থাপন করছি। ঔষধসামগ্রী প্রস্তুত করার ক্ষেত্রে আমাদের কোম্পানী একটি বিশ্বমানের ফার্মাসিউটিক্যালস কোম্পানী হওয়ার স্বপ্ন নিয়ে তার যাত্রা শুরু করেছিল এবং ইতিমধ্যেই দেশের সবচেয়ে নির্ভরযোগ্য ব্রান্ড হিসেবে আমরা নিজেদের প্রতিষ্ঠা করতে সক্ষম হয়েছি। আমি অত্যন্ত আনন্দের সাথে আরও জানাতে চাই যে, গত বছরের তুলনায় এ বছর আপনাদের কোম্পানী বেশ ভাল করেছে।

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনাদের কোম্পানী সবসময় তার গ্রাহকদের শ্রেষ্ঠমানের অপরিহার্য ঔষধ সরবরাহ করতে চেষ্টা করে। উৎপাদনের ক্ষেত্রে আমরা সব সময় সেরা প্রযুক্তি ব্যবহার করি এবং বিভিন্ন যন্ত্রাদি ও সরঞ্জামাদি সমূহ ব্যবহারের ক্ষেত্রে সর্বাধিক পেশাদার পদ্ধতি প্রয়োগ করি। আমি অত্যন্ত উল্লসিতচিত্তে জানাচ্ছি যে, Orion Pharma Limited এখন ISO 9001: 2015 Certified। ওরিয়ন ফার্মাকে ISO 9001 এর মানদণ্ড অনুযায়ী বিভিন্ন শর্ত পূরণ করতে হয়েছে যা TUV Austria Bureau of Inspection & Certification (Pvt.) Limited দ্বারা নিরীক্ষিত। Orion Pharma Limited পূর্বেও ISO 9001: 2008 Certified ছিল এবং পুনরায় এই Certificate অর্জন করা কোম্পানির জন্য একটি অনন্য অর্জন। এ পুনঃপ্রত্যয়ন কোম্পানীর এক অন্যতম সফলতাকেই নির্দেশ করে।

আমি এটা জানাতে পেরে অত্যন্ত সম্মানিতবোধ করছি যে, আপনাদের প্রতিষ্ঠানটি Institute of Chartered Accountants of Bangladesh (ICAB) এর Review Committee এবং Jury Board of the Review Committee for Published Accounts and Reports of the Council কর্তৃক Manufacturing Sector category তে 'Best Presented Annual Report – 2016' এর দ্বিতীয় অবস্থান অর্জন করেছে। আমাদের কোম্পানীকে দ্বিতীয় বারের মত এই বিশিষ্ট সম্মানে ভূষিত করা হয়েছে। আমাদের সমন্বিত বার্ষিক প্রতিবেদন ২০১৬ এ প্রকাশিত আর্থিক বিবৃতিতে শ্রেষ্ঠত্তের স্বীকৃতিস্বরূপ আমরা অত্যন্ত সম্মানীয় South Asian Federation of Accountants (SAFA) পুরস্কারে 2nd Runner-up Position অর্জন করেছি। এই পুরস্কার বিতরণী অনুষ্ঠানটি ২০১৮ সালের জানুয়ারিতে নেপালে অনুষ্ঠিত হয়। বার্ষিক প্রতিবেদন উপস্থাপনার জন্য এই ধরনের আন্তর্জাতিক স্বীকৃতি অর্জন আমাদের কোম্পানীর সকলের জন্য অত্যন্ত আনন্দের বিষয়।

প্রিয় শেয়ারহোল্ডারবৃন্দ, এখন আমি আপনাদের কোম্পানীর আলোচ্য অর্থ বছরের আর্থিক বিভিন্ন বিষয়াদি আপনাদের নিকট উপস্থাপন করছি। আপনারা জেনে আনন্দিত হবেন যে, ২০১৭-২০১৮ অর্থ বছরে আপনাদের কোম্পানীর একীকৃত বিক্রয়লব্ধ অর্থের পরিমাণ দাঁড়িয়েছে ১০,৪২৩.১০ মিলিয়ন টাকা যা ২০১৬-২০১৭ অর্থ বছরে ছিল ৯,৫৩৪.৩৫ মিলিয়ন টাকা, যা প্রশংসনীয়ভাবে গত বছরের তুলনায় ৯.৩২% ইতিবাচক প্রবৃদ্ধি অর্জন করেছে। আলোচ্য অর্থ বছরে একীকৃত মোট মুনাফা অর্জিত হয়েছে ২,৩৭৬.২০ মিলিয়ন টাকা এবং একীকৃত নীট মুনাফা অর্জিত হয়েছে ৮০১.৭৬ মিলিয়ন টাকা। ২০১৭-২০১৮ অর্থ বছরে একীকৃত শেয়ার প্রতি আয় হয়েছে ৩.৪৩ টাকা এবং এ বছরের আর্থিক কর্মক্ষমতা বিবেচনা করে আপনাদের কোম্পানীর পরিচালনা পর্ষদ কোম্পানীর মুনাফা থেকে ২০১৭-২০১৮ অর্থ বছরে ১৫% নগদ লভ্যাংশ শেয়ারহোল্ডারগণের মাঝে বণ্টনের জন্য সুপারিশ করেছেন।

আপনাদের কোম্পানি দেশ এবং সরকার প্রতি তার দায়িত্ব সম্পর্কে সচেতন। প্রতি বছরই আমরা কর্পোরেট কর, ভ্যাট (মূল্য সংযোজন কর), আমদানী শুল্ক, আবগারী শুল্ক বাবদ উল্লেখযোগ্য পরিমাণ রাজস্ব জাতীয় কোষাগারে প্রদান করে আসছে। এই বছরও আপনাদের কোম্পানী ৪১৩.২৫ মিলিয়ন টাকা জাতীয় রাজস্ব খাতে প্রদান করেছে যা এ বছরের মোট বিক্রয়লব্ধ আয়ের ২০.৯২%।

অত্যন্ত আনন্দের সাথে আপনাদের সকলকে জানাচ্ছি যে, সিদ্ধিরগঞ্জ, নারায়ণগঞ্জে স্থাপিত আমাদের ফার্মাসিউটিক্যাল কমপ্লেক্স এখন উৎপাদনের জন্য প্রস্তুত এবং অতি শীঘ্রই আমরা আমাদের বিশ্বমানের ফার্মা পার্কে ঔষধ উৎপাদন শুরু করব। এই অনন্য স্থাপনাটি সর্বাধুনিক বিশ্বমান যেমন USFDA, UK MHRA, Health Canada, and Australian TGA'র মান অনুসরণ করে নকশা করা হয়েছে। যখন এই নতুন ফার্মা পার্ক থেকে পণ্য উৎপাদন শুরু হবে তখন অণু ও ডোজ ফর্ম প্রযুক্তি উদ্ভাবনের প্রতিটি ধাপেই গুরুত্ব দেওয়া হবে।

আমি অত্যন্ত আনন্দের সাথে জানাচ্ছি যে, আমরা ১২ই জুন, ২০১৮ ইং তারিখে ডেল্টা লাইফ ইন্সুরেন্স কোম্পানীর সাথে একটি গ্রুপ টার্ম লাইফ ইন্সুরেন্স চুক্তিতে স্বাক্ষর করেছি। এই চুক্তি কোম্পানীর কর্মীদের জন্য মৃত্যু সহ দুর্ঘটনাজনিত বিভিন্ন কারণে আংশিক আর্থিক সুবিধা নিশ্চিত করবে। এই স্কীম প্রবর্তনের ফলে ভবিষ্যতে কর্মীদের প্রণোদনা ও উৎপাদনশীলতা বৃদ্ধি পাবে যা সফল ভাবে প্রতিষ্ঠানের লক্ষ্য অর্জনে সহায়ক হবে।

আপনারা সকলে জেনে খুশি হবেন যে, আমরা নতুন বাজার অনুসন্ধানের এক ধাপ এগিয়ে গিয়েছি এবং গত অর্থবছর থেকে সোমালিল্যান্ডে রপ্তানি শুরু করেছি। আমরা বিশ্বাস করি যে, এটি

আমাদের বিক্রয়লব্ধ আয় বাড়াতে সহায়তা করবে এবং অন্যান্য নতুন নতুন বাজার উৎসাহিত করবে।

আপনারা নিশ্চয়ই অবগত আছেন যে, কেবলমাত্র অর্থ উপার্জন নয় বরং সমাজের জন্য সুফলও বয়ে নিয়ে আসা উচিত এমন অনুসন্ধানের উপরই আমাদের সামগ্রিক ব্যবসায়িক কর্মকাণ্ড পরিচালিত। আপনারদের কোম্পানী স্বাস্থ্য ও শিক্ষা খাতে সামাজিক ও মানবিক দায়িত্ব পালনের ক্ষেত্রে গুরুত্বপূর্ণ অবদান রেখে আসছে। প্রতি বছর আমরা সারা বাংলাদেশ থেকে বিভিন্ন সরকারি মেডিকেল কলেজ ছাত্রদের বৃত্তি প্রদানের জন্য আমন্ত্রণ জানাই এবং এ বছর মোট সাত (৭) জন মেধাবী ছাত্র বৃত্তি পাওয়ার জন্য নির্বাচিত হয়। প্রতিষ্ঠানটি ২০০৪ সাল থেকে সফলভাবে Enliven Patients Assistance Program (EPAP) চালাচ্ছে যার মাধ্যমে আমরা বাংলাদেশের ব্লাড ক্যান্সার রোগীদের জন্য ভর্তুকি মূল্যে অথবা বিনা মূল্যে Enliven প্রদান করে থাকি। ২০১৭-১৮ অর্থবছরে আপনারদের কোম্পানী এই কর্মসূচির আওতায় পঁচিশ (২৫) জন রোগীকে তালিকাভুক্ত ও নবায়ন করেছে।

উপরে উল্লেখিত কর্মসূচী ছাড়াও, আপনারদের কোম্পানী সমাজের হত দরিদ্রদের সাহায্যের জন্য অন্যান্য আরও অনেক উদ্যোগ গ্রহণ করেছে। উদাহরণ স্বরূপ, গত রমজানের মাসে আমাদের কোম্পানী দুটি অনাথ আশ্রমের অনাথ শিশুকে জামাকাপড় ও জুতা প্রদান করেছিল। ২০১৭ সালের আগস্ট মাসে হতাশাগ্রস্ত ও সংকটাপন্ন রোহিঙ্গা জনগণের মাঝেও খাদ্য সরবরাহ করেছিল। আপনারদের কোম্পানী কুড়িগ্রামে বন্যায় ক্ষতিগ্রস্ত মানুষদের রক্ষার্থে বড় পদক্ষেপ নিয়েছিল এবং অনেক ক্ষতিগ্রস্ত পরিবারের জন্য টিন-শেড ঘর,

নলকূপ এবং স্যানিটারি টয়লেট স্থাপনের মাধ্যমে সহযোগিতার হাত বাড়িয়ে দিয়েছিল। এই বছর CSR কর্মসূচির জন্য কোম্পানীর মোট ব্যয় দাঁড়িয়েছে ৯.১৯ মিলিয়ন টাকা।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমাদের উপর আপনারদের অফুরন্ত সমর্থন ও বিশ্বাস এর জন্য আমি আপনারদের প্রতি আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমি আমাদের ব্যবসায়িক অংশীদারসহ সকল মূল্যবান স্টেকহোল্ডার, গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারি সংস্থা, নিয়ন্ত্রণকারী কর্তৃপক্ষ সহ সকলের আন্তরিক ভাবে প্রশংসা করতে চাই। কোম্পানীর সফলতায় অসামান্য অবদান রাখায় আমি কোম্পানীর ম্যানেজমেন্ট এর প্রতিও আন্তরিক কৃতজ্ঞতা প্রকাশ করছি। আমি কোম্পানীর সফলতায় তাদের অসাধারণ ভূমিকার জন্য সকল স্তরের কর্মীদের সাধুবাদ জানাচ্ছি।

ধন্যবাদান্তে,

স্বা/-

মোহাম্মদ ওবায়দুল করিম
চেয়ারম্যান

STATEMENT OF THE CEO



In the last financial year we were very focused upon starting operation in our world-class Pharma Park in Siddhirganj, Narayanganj and will soon start the production of medicines over there.

Dear Fellow Shareholders,

Assalamu Alaikum

I am pleased to present the Statement of the CEO of Orion Pharma Limited for the year ended June 30, 2018 on behalf of the management. In this statement, I will be covering our present performance, future outlook and our guiding principles.

World economic scenario and the context of Bangladesh:

Let us start with a few words regarding the economic conditions in which our business is operating. The outlook for the global economy remains positive despite signs that economic growth in some key parts of the world economy has slowed since growth reached a peak in the second half of 2017. The global economic expansion we have seen over the past year has shown momentum, holding the promise of more jobs and improved living standards across most countries. But there are threats, including from the risk of escalating trade conflicts, record high public and private debt, financial market volatility, and fragile geopolitics. The recent acceleration in world gross product growth stems predominantly from firmer growth in several developed economies, although East and South Asia remain the world's most dynamic regions.

After the world scenario, we may take a look at the condition of our country. Bangladesh has become eligible to graduate to a middle income country from the least developed one. We have all witnessed that Bangladesh has emerged as an aspiring "tiger" economy in the South Asian region. I am very happy to say that we have become one of Asia's most remarkable and unexpected success stories in recent years. As per HSBC Global Research, Bangladesh is likely to be the biggest mover in the global GDP rankings in 2030, becoming the 26th largest economy in the world from 42nd now which is a great feat for us. We are very hopeful that the progress of the country will also be reflected upon the performance of the company.

The pharmaceutical industry is one of the most technologically advanced sectors currently in existence in Bangladesh. It has grown in the last two decades at a considerable rate. Only 3% of the drugs are imported, the remaining 97% come from local companies. This industry is largely protected from external competition, as there is a restriction regarding import of similar drugs that is manufactured locally. This industry is also the second largest contributor to national exchequer and at the same time provides the largest white collar intensive employment.

Bangladesh's pharmaceutical sector can grow at 15 percent for the next five years riding on the expanded domestic market as well as new export frontiers, according to a new research. Greater affluence among the poorest socio-economic group and a shift in disease profile are expected to drive the growth of healthcare expenditure in Bangladesh. The industry also has growth opportunities in the international domain which is enough to emerge as the next thrust sector after garment. Positive developments in the pharmaceutical sector have enabled Bangladesh to export medicine to global markets. Besides, drug purchasing power is likely to rise with sustained growth in income as Bangladesh advances into the league of middle income countries, according to the analysis.

Guiding Principles:

Dear shareholders, the preparation and presentation of the Financial Statements and the relevant disclosures therein have

been made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Stock Exchanges as applicable and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable to the company.

During the financial year under review, no remarkable changes were found that make judgment to estimates and assumptions that affect the application of accounting policies and would have required reported amounts of assets, liabilities, income and expenses.

It can also be mentioned here that in order to comply with the Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), we have been working towards redefining the Corporate Governance Framework of our company.

Company Performance:

Dear shareholders, please allow me to take you all through the comparative analysis of the financial performance and financial position of our company. If we consider 2013-2014 to be the base year for the sake of our comparative breakdown to see how we have performed over the last five years, we can see that overall the company has been going through a moderate trend in the case of both the financial performance and financial position. The comparison of the last financial year 2017-18 with the base year 2013-2014 has been given in the below tables:

BDT in Million

Financial Performance indicators	2017-18	2013-14
Net Sales Revenue	10,423.10	11,011.88
Gross Profit	2,376.20	2,895.89
Operating Profit	965.18	1,093.09
Profit before Tax	953.63	1,073.42
Net Profit after Tax	801.76	908.86

BDT in Million

Financial Position indicators	2017-18	2013-14
Paid up Capital	2,340.00	2,340.00
Shareholders' equity	17,054.21	15,264.07
Non-controlling interest	1,065.40	611.41
Total Equity	18,119.61	15,875.47
Total Current Liabilities	6,787.00	5,026.60
Total Non-current Liabilities	5,808.08	4,852.13
Total Non-current Assets	18,413.93	21,767.43
Property, Plant & Equipment	13,144.23	15,325.31
Total Current Assets	12,300.76	3,986.77
Total Assets	30,714.70	25,754.20

BDT in Million

Financial Ratios	2017-18	2013-14
Gross Profit Ratio (%)	22.80	36.30
Net Profit Ratio (%)	7.69	8.25
Current Ratio (times)	1.81	0.79
Debt Equity Ratio (times)	0.80	0.62
Return on Equity (%)	4.70	5.72
Return on Capital Employed (%)	6.73	11.23
Price Earning Ratio –DSE (times)	12.08	14.46
Price Earning Ratio –CSE (times)	12.29	14.46
Quoted Price Per Share-DSE (BDT)	41.40	58.70
Quoted Price Per Share-CSE (BDT)	42.10	58.70
Dividend (Cash) (%)	15.00	15.00
Dividend (Stock) (%)	-	20.00
Net Asset Value per Share (BDT)	72.88	65.23
Net Operating Cash flow per Share (BDT)	9.38	10.74
Earnings per Share (BDT)	3.43	4.06

Now let us take a look at the peer industry scenario and have a comparison with them in regards to our performance. If we look at the industry, we will find that there are many competitors and we have selected nine of the listed companies from which we have determined the industry average. Now, if we look at the five year’s trend of ratios with the industry average, we can get a clear picture about our position:

Year	2016-17		2015-16		2014-15		2013-14		2012-13	
	OPL	Benchmark	OPL	Benchmark	OPL	Benchmark	OPL	Benchmark	OPL	Benchmark
FINANCIAL RATIOS										
Current Ratio (times)	1.84	1.75	2.30	1.57	2.16	1.63	0.79	1.19	0.83	1.19
Debt Equity Ratio (times)	0.70	0.71	0.64	0.72	0.65	0.63	0.62	0.76	0.92	0.74
Return on Equity (%)	4.79	13.94	8.08	16.88	6.29	15.55	5.72	13.62	7.56	11.40
Net Asset Value per Share (BDT)	70.95	60.07	69.99	57.08	67.50	37.43	65.23	55.48	81.97	46.86
Net Operating Cash flow per Share (BDT)	9.62	6.49	16.62	8.21	13.98	6.50	10.74	6.08	18.97	9.08
Earnings per Share (BDT)	3.40	9.06	5.65	7.52	4.25	7.93	4.06	5.65	5.02	4.08

Let me take you all over the different risks that we face. The management has overall responsibility for the establishment and oversight of the company’s risk management framework. The company has exposure to Credit risk, Liquidity risk, Market risk, Currency risk, Interest-rate risk etc. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company’s activities.

Future Plan:

Dear Shareholders, I am pleased to inform you that in the last financial year we were very focused upon starting operation in

our world-class Pharma Park in Siddhirganj, Narayanganj and will soon start the production of medicines over there. The construction work of General Pharma Production Building of about 44,000 square feet has already been finished and is now ready to go for operation after getting approval from the regulatory authority. Other production buildings including General Pharma 1 (extension), Cephalosporin, General Pharma Building 2, Oncology, Hormone and Injectable are currently under development stage. With an apologetic tone I will mention here that we have slightly delayed into this shifting from our initial plan due to few unavoidable circumstances. However, I believe that with the will of the Almighty, this Pharma Park will bring us more prosperity due to its outstanding design and technology.

Your company is also determined to position itself better in the local market as well as the export-market. In order to grow and develop in the future and to provide our healthcare facility globally, we must also expand beyond borders and go international. We have formed new strategies to explore new markets and generate revenue from there.

The management is also focused about not letting the next financial year; i.e. 2018-19’s political turmoil due to the national election, upset the business of our company. The management is taking proactive measures so that the political instability does not have any negative impact on the performance of the company.

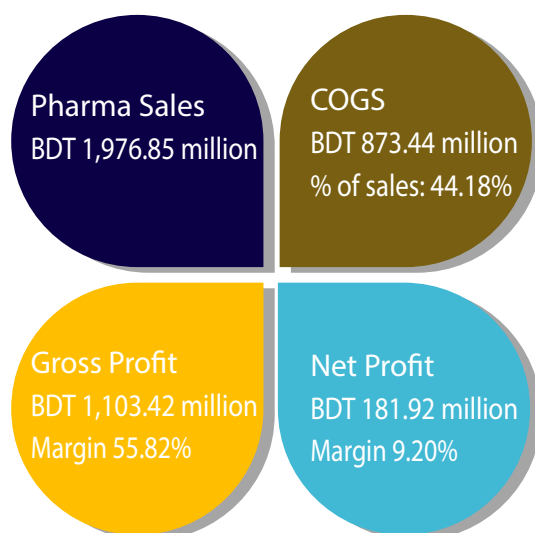
Lastly, I would like to express my sincere thanks to all our valued shareholders for their confidence in us and would also like to acknowledge the helpful guidance from our Board of Directors has always been instrumental in shaping the success of OPL. I would like to thank all of OPL’s employees and partners for their

hard work throughout the last financial year. I look forward to your continued support with the hope of a successful year ahead.

Thank you,

Sd/-

Salman Obaidul Karim
Chief Executive Officer



ADDITIONAL INVESTMENTS

The outflow of fund made for the acquisition of fixed assets by Orion Pharma Limited and its subsidiaries during the reporting period is as follows:

Additional Investment	2017-18	2016-17
Land and Land Development	9,121,500	-
Factory and Office Building	95,195,594	34,176,697
Plant and Machinery	216,642,247	170,115,723
Furniture and Fixtures	5,301,115	10,399,087
Office Equipment	29,681,975	26,677,011
Vehicles	128,400	4,763,500
Laboratory Equipments	-	71,750,570
Total	356,070,832	317,882,589

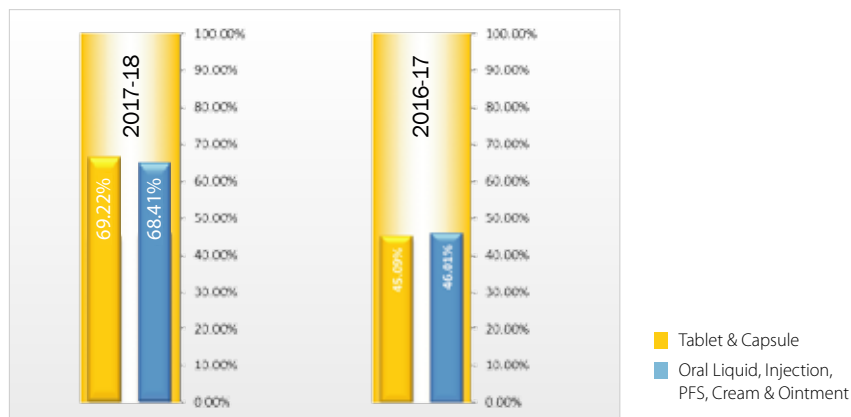
RISKS AND CONCERNS

The company is always aware of that business is subject to variety of risks and uncertainties e.g. Industry Risks, Regulatory Risks, Market Risk, Operational Risk, Legal Risk, Interest Rate Risk, Exchange Rate Risk and potential changes in Global or National policies etc.

In this respect, Orion Pharma Limited has well defined it's risk management policies and introduced periodic monitoring system that act as an effective tool in mitigating various risks to which our businesses are exposed to in the course of its day-to-day operations as well as in its strategic actions. Moreover a detailed discussion on the risk management systems of OPL is mentioned under Governance chapter.

UTILIZATION OF PRODUCTION CAPACITY

Item	Production Capacity		Actual Production	
	2018	2017	2018	2017
Tablet & Capsule	694.26	903.90	480.57	407.53
Oral Liquid, Injection, PFS, Cream & Ointment	23.68	27.08	16.20	12.46



PRODUCT STATUS

The status of products of Orion Pharma Limited available at the beginning of the FY, discarded and new products added during the FY and the closing status products at the end of FY have been shown here under seven product categories:

SUBSIDIARY OPERATION

• Orion Power Meghnaghat Limited (OPML):

During the financial year ended on June 30, 2018, Orion Power Meghnaghat Limited earns total revenue of BDT 4,142.20 million broken up into BDT 1,283.30 million as Reference Rental Price, BDT 121.17 million as Reference Energy Price (Variable O&M), BDT 2,736.24 million as Sales revenue from HFO OOSL. The total revenue is derived after adding foreign exchange gain of BDT 1.49 million. Its net profit is BDT 484.58 million during the period under report. Since the company is not listed, its market price cannot be determined. The Earnings and the NAV as on 30 June, 2018 stands at BDT 4.85 and BDT 39.00 per share respectively.

• Dutch Bangla Power & Associates Limited (DBPAL):

During the financial year ended on June 30, 2018, the turnover of Dutch Bangla Power & Associates Limited is BDT 4,304.05 million broken up into BDT 1,212.26 million as Reference Rental Price, BDT 125.37 million as Reference Energy Price (Variable O&M), BDT 2,963.75 million as Sales revenue from HFO OOSL and BDT 2.67 million as foreign exchange gain. The company has made a net profit of BDT 238.04 million and consequently EPS stands at BDT 23.80. It is not a listed company and the NAV is BDT 263.75 per shares as on 30 June, 2018.

REASON OF ANY EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements prepared for the financial period 2017-18 as well as for the financial period 2016-17.

DISCLOSURE ON RELATED PARTY TRANSACTION

The Directors and other key

Sl	Product Category	Status as on 01.07.2017	Added	Discarded	Total as on 30.06.2018
1	Tablet	109	0	0	109
2	Capsule	28	0	0	28
3	Oral Liquid	40	0	1	39
4	Injection	32	0	0	32
5	Powder for Suspension	18	0	0	18
6	Cream	4	0	0	4
7	Ointment	1	0	0	1
	Total	232	0	1	231

management personnel are very much cautious to avoid any conflicts of interest inconformity with the prevailing rules and regulations. Related party transactions, when undertaken in the normal course of business, are carried out on an arm's length basis without any special benefit to the related party.

All such transactions have been approved unanimously by the other Directors of the Company. A statement of all related party transactions containing the name of related parties, nature of transactions and total transaction values is mentioned under notes 3.15 and 36 of the audited financial statements as per IAS 24: Related Party Disclosure.

UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHT SHARES AND/OR THROUGH ANY OTHER INSTRUMENT

Initial Public Offering (IPO) of Orion Pharma Limited was made in 2013 and it mobilized a fund of BDT 2.4 billion with the allocation of 40.00 million shares. The main purpose of raising this fund was to construct an expansion project of Orion Pharma Limited named as Pharma Park at Sumilpara, Siddhirganj, Narayonganj in terms of the expansion of existing production capacity as well as the addition of new products line.

However, the fund raised thereby has been being utilized for the said Pharma Park and reported accordingly to the regulators about the status of the fund utilization on a regular basis. No other issue of any instrument including right

share was made during the year.

EXPLANATION IF FINANCIAL RESULTS DETERIORATE AFTER THE COMPANY GOES FOR IPO, RPO, RIGHT OFFER, DIRECT LISTING

Orion Pharma Limited went for IPO in 2013 and after that the company did not raise any fund by any sort of offerings upto 2016. Moreover, the financial results have improved during the year under review. Therefore, no explanation is required in this connection.

EXPLANATION ABOUT SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

No significant variation has occurred between the quarterly and annual financial statements of the company during the year.

REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Directors of Orion Pharma Limited do not receive any other facilities or perquisites except remuneration which are reviewed annually and approved by the Board of Directors. Total remuneration expenses of the Directors of Orion Pharma Limited have been disclosed as an expense under the head of General and Administrative Expenses in the note 28, 28a and also under note no 36.02 "related party transactions" of the financial statements.

For ensuring fair and transparent corporate governance in the Company, the Board took a decision that the

Directors, except the Managing Director, from 1st July, 2018, will not take any kind of financial or any other kinds of benefits from Orion Pharma Limited other than the Board meeting fee as per the Articles of Association of the company.

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to conform the following:

- The financial statements of the company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity.
- Books of accounts have been maintained properly as required by the law.
- Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh.
- Internal control system is sound in design and implemented and monitored effectively.
- Key operating and financial data of preceding five years have been included in the report.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- No Bonus share or stock dividend has been or shall be declared as interim dividend.

SIGNIFICANT DEVIATION FROM THE OPERATING RESULTS OF LAST YEAR

During the FY, no significant variations occurred from the operating results of

last financial period.

GOING CONCERN

Subsequent to the conduction of appropriate enquiries and analysis of the significant operating and financials, the Board ensures that the company has the ability to continue its operation for a foreseeable future. The Directors have a reasonable anticipation that the resources are adequate to continue its operation without any major interruptions. Therefore, all these analysis qualify the company as a going concern and consequently the financial statements are also prepared on the basis of going concern assumption.

SHAREHOLDING STRUCTURE OF THE COMPANY

The present shareholding structure of the company is shown in the next chapter 'Annexure to the Directors' Report'.

CONSOLIDATION OF ACCOUNTS

As per BSEC Regulations, the company has prepared consolidated financial statements following the codes of IAS-28 and IFRS 10. For the preparation of consolidated statements of OPL, the audited financial statements of two (2) subsidiaries have been considered.

CONTRIBUTION TO NATIONAL ECONOMY

The total contribution to the National exchequer by Orion Pharma Limited as

on June 30, 2018 was BDT 413.25 million in the form of Import Duty, Import VAT, Import Tax, Supplementary Duty and Other Duty on raw materials, packing materials, spare parts, Machineries & other assets, Tax on sale of makeable securities, VAT on sales and Income tax. The contribution constitutes 20.90% of the net revenue.

ENVIRONMENTAL CONSIDERATION

Orion Pharma Limited is committed to providing a healthy and pollution free environment for its employees, customers, suppliers, and all other parties with whom it interacted to conduct its business. The company follows GMP Regulations, WHO standards and Governmental rules and regulation in order to maintain a pollution free environment.

A detailed report on this is set out on Page no 129-131

BOARD MEETINGS HELD

The number of Board Meetings and the attendance of the Directors during the FY ended June 30, 2018 were depicted here. In addition to the Directors, the Chief Financial Officer (CFO) and the Company Secretary (CS) also regularly attended the meeting. However, the Head of Internal Audit and Compliance (HIAC) will attend the Board Meeting to be held in the financial year 2018-19 in order to comply with the condition of new corporate governance code.

Name	Status	Meeting held	Meeting Attended
Mr. Mohammad Obaidul Karim	Chairman	6	6
Mr. Salman Obaidul Karim	Managing Director	6	6
Mrs. Arzuda Karim	Director	6	6
Mrs. Zareen Karim	Director	6	6
Mrs. Hasina Begum	Director	6	6
Mr. Golam Mohiuddin	Independent Director till June 14, 2018	6	6
Lt. Col. Kamal Ahmed PSC (Retd)	Independent Director	6	6
Mr. Samaresh Banik	Chief Financial Officer	6	6
Mr. Md. Ferdous Jaman	Company Secretary	6	6

APPROPRIATIONS OF PROFIT

Considering the accounts of Orion Pharma Limited and also the interest of the Shareholders, the Board of Directors has proposed and recommended following appropriation of profit:

DECLARATION OF DIVIDEND

With the recommendation of Directors for a cash dividend of BDT 1.5 (15%) per share for the financial year 2017-18, the company will have a payout of BDT 351,000,000 subject to approval of the Shareholders at the 53rd Annual General Meeting. The dividend will be applicable for the shareholders whose names will appear in the Depository Register of CDBL as on Record Date i.e. November 22, 2018.

ELECTION OF DIRECTORS

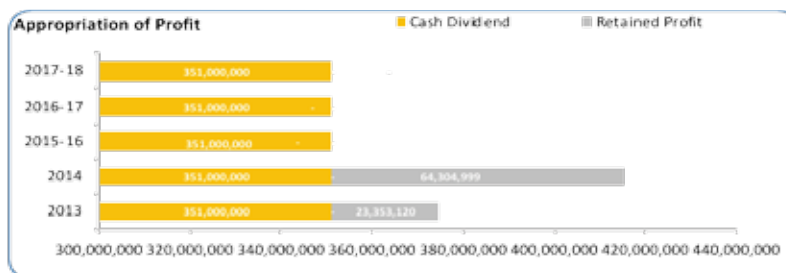
With regard to the appointment, retirement and re-appointment of Directors, the company is governed by its Articles of Association, the Companies Act 1994 and other related legislations. In order to comply with the provision mentioned under Section 91(2) of the Company Act-1994 and Clause no. 126 to 130 of the Articles of association of the OPL, at least one third of the Directors shall retire from the office in the Annual General Meeting.

Pursuant to the above, Mrs Arzuda Karim, Director and Mrs. Hasina Begum, Director of the company, retire by rotation from the Board, but being eligible, have offered themselves for re-election.

This is further to inform here that Mr. Golam Mohiuddin, the Independent Director, has completed his second tenure in June 2018 with great success and now, among the shortlisted candidates considering their qualification, skills, experience, expertise, positive attributes, the Board of Directors has recommended to appoint Mr. Md. Shafiqur Rahman as the new Independent Director, in compliance with the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 imposed by BSEC, subject to the approval of the shareholders in this AGM.

Brief profiles of the Directors being

Net profit for the Period (2018)	181,921,865	
Add: Adjustment for depreciation on revaluation surplus	30,125,451	
Profit brought forward from previous year	500,895,281	
Profit available for distribution		712,942,598
Less: Appropriation proposed:		
Cash Dividend @ 15%		351,000,000
Transfer to retained earnings		361,942,598



proposed for re-appointment is set out in page no 27-29

APPOINTMENT OF AUDITORS

The Directors hereby report that as per the Companies Act 1994 and the Articles of Association of the company, the existing Auditor, M/S Ahmad & Akhtar, Chartered Accountants, who were appointed as auditors of the company in the last Annual General Meeting of the company has carried out the audit for the reporting period ended on June 30, 2018, will retire at the conclusion of the ensuing Annual General Meeting.

Based on condition 2(2)(3) of BSEC Notification No. SEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same company. M/S Ahmad & Akhtar has been holding the office of statutory auditors of the company for last three consecutive financial years.

In compliance with said BSEC Notification, the company requires to appoint new statutory auditors for the upcoming financial year. After scrutinizing the available firms' profile, necessary expertise and the recommendation of the Audit Committee, the Board has recommended M/S S.F. Ahmed & Co., Chartered Accountants, to be appointed as statutory auditors of OPL for the year 2018-2019 and to continue till the next

AGM, subject to the approval of the shareholders in the upcoming AGM.

APPOINTMENT OF COMPLIANCE AUDITORS

In compliance with the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, a listed company requires to appoint Compliance Auditors on the newly published Corporate Governance Code and collect the Compliance report thereon, who shall be appointed by the shareholders in the AGM. However, ARTISAN, Chartered Accountants, has been appointed as the Compliance Auditors for the financial year under report and their report has been published in 'Annexure to the Directors' Report' in details. Considering the conditions imposed by the Code and necessary expertise, the Board has recommended to appoint ARTISAN, Chartered Accountants, as the Compliance Auditors for the financial year to be ended on June 30, 2019, subject to the approval of the Shareholders in the ensuing AGM.

STATUS OF COMPLIANCE

Orion Pharma recognizes that the sustainability of the company as well as the relationship and trust between the company and the stakeholders relies on the application and adherence to the standard corporate governance. It is the Company Secretary who is responsible

and accountable to make sure the full compliance with all applicable rules and regulations and to assure the stakeholders that whatever OPL is doing is maximizing the value of the shareholders by safeguarding the interest of other stakeholders.

In accordance with the requirements stipulated in the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969, the detailed required disclosures are appended in the next chapter 'Annexure to the Directors' Report'. Further, a Certificate on Compliance of Corporate Governance Code as provided by ARTISAN, Chartered Accountants, is also annexed to this report.

SUSTAINABILITY

Doing something extra to improve our society or environment is a way to show our true commitment to a cause. The main two (2) corporate social responsibility programs include providing scholarship to medical students and providing our oncology medicine 'Enliven' at subsidized price to underprivileged blood cancer patients in Bangladesh under the program named 'Enliven Patients Assistance Program (EPAP)'. Under medical scholarship program a total of 7 underprivileged and meritorious students were selected in the reporting financial year. Under the EPAP Program, the company has enlisted and renewed twenty-five (25) patients in the last financial year.

We are aware of the fact that climate and environment conservation is an issue of great importance to us. We know that Bangladesh is one of the vulnerable countries in the world due to the negative impact of climate change and global warming; and accordingly take steps towards our commitment to help society to achieve sustainable balance in our natural capital. In line with this, we have also undertaken different initiatives including making our office paperless.

FUTURE OUTLOOK

• Industry Outlook

High Growth Potential

One of the prospects of this industry is the market growth potential. The drivers behind market growth based on some health indicators are:

- Rapid expansion in the older segments of the population;
- Increasing life expectancies;
- Large untreated patient populations;
- Large markets overseas, especially in developing nations.
- Industry-friendly regulatory environment;
- Influence of the managed health care.
- Growth of income base of population
- As people are getting educated, they are now more conscious about healthcare. As a result there will be increasing demand of "wellness" drugs, vaccines, medical devices, etc.

Increasing Demand of Technology Based Medical Products

Because of increasing demands for different technology based medical products few companies have started producing medical devices, innovative drug delivery systems, including pre-fillable syringes, self-injection systems and safety/shielding solution to meet the current and evolving needs of the of the pharmaceuticals industry. This will be another very promising branch of pharmaceutical industries within few years.

Growing Incidence of Chronic Diseases

Aging population increases the necessity for more healthcare spending. Besides, chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases. As per WHO projections, by 2020, chronic diseases will account for almost three-quarters of all deaths worldwide.

• Company Outlook

Orion Pharma Limited is dedicatedly working towards starting operations in its Pharma Park at Narayonganj. Innovation in molecule and dosage form is going to be emphasized in every step at the new

plant. The installed production capacity will be increased significantly with the implementation of the Pharma Park and it will help us to meet the untapped demand of our medicines. At present we are not able to fulfill customer demand due to the limitation of our existing production capacity. We are optimistic about the future outlook, as with the increased production capacity, we will be able to enhance productivity and revenue income not only from local market but also from our export markets.

Your company is also determined to position itself better in the local market as well as the export-market. In order to grow and develop in the future and to provide our healthcare facility globally, the company has no alternative to expanding beyond borders and go international. New strategies have been formed to explore new markets and generate income from there.

ACKNOWLEDGEMENT

The Board of Directors appreciates the hard work, determination and guidance of the Board, Management team and all the staffs and employees of the company. The Board of Directors also record with deep appreciation the efforts made by the Customers, Creditors, Suppliers, Banks, Insurance Companies, Government Agencies, and the Government in particular.

The Directors would also like to express profound gratitude to all other stakeholders of the Company for their trust and confidence on the company by supporting the activities of the company and look forward to their continued support and cooperation in future.

On behalf of the Board

Sd/-

Mohammad Obaidul Karim
Chairman

ANNEXURE LIST:

1. Shareholding Pattern
2. CEO & CFO Certification
3. Compliance Report on IAS/IFRS
4. Certificate on Corporate Governance Code
5. Checklist on Corporate Governance Code

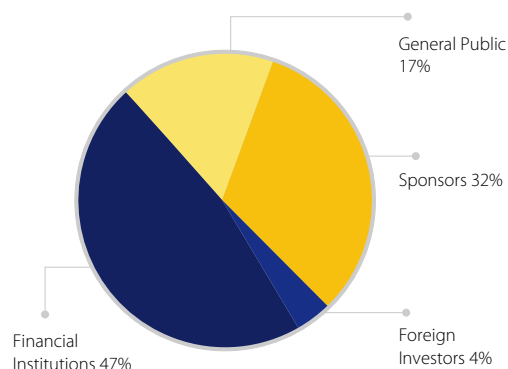
Annexure - 1

SHAREHOLDING PATTERN

as on June 30, 2018

	Status	Shares held	Holding %
PARENT / SUBSIDIARIES / ASSOCIATES AND OTHER RELATED PARTIES:			
DIRECTORS			
Mr. Mohammad Obaidul Karim	Chairman	35,514,000	15.18
Mr. Salman Obaidul Karim	Managing Director	8,805,600	3.76
Mrs. Arzuda Karim	Director	9,708,960	4.15
Mrs. Zareen Karim	Director	6,413,040	2.74
Panbo Bangla Mushroom Ltd. R/B Mrs. Hasina Begum	Nominated Director	14,400,000	6.15
Mr. Md. Shafiqur Rahman	Independent Director	-	-
Lt. Col. Kamal Ahmed PSC (Retd.)	Independent Director	-	-
CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, HEAD OF INTERNAL AUDIT & COMPLIANCE AND THEIR SPOUSES AND MINOR CHILDREN:			
Mr. Salman Obaidul Karim	Chief Executive Officer	9,708,960	4.15
Mr. Samaresh Banik	Chief Financial Officer	-	-
Mr. Md. Ferdous Jaman	Company Secretary	-	-
Mr. Md. Ibrahim Khalil	Head of Internal Audit & Compliance	-	-
EXECUTIVES:			
Mr. Md. Arif Hossain	SVP, Marketing Operations & Commercials	-	-
Mr. Md. Faisal R Ferdous	VP, Human Resource	-	-
Mr. Md. Zakir Hossain	AVP, Production	-	-
Mr. Md. Ikramul Yasin	AVP, Admin	-	-
Mr. Md. Alauddin, ACA, ACS	AVP, Accounts	-	-
SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST IN THE COMPANY:			
Mr. Mohammad Obaidul Karim	Chairman	35,514,000	15.18

Category of Shareholders	No. of Shareholders	Shares held	Holding %
Sponsors	5	74,841,600	31.98%
Foreign Investors	174	9,371,430	4.00%
Financial Institutions	231	109,572,200	46.83%
General Public	34,105	40,214,770	17.19%
Total	34,515	234,000,000	100.00%



CEO AND CFO REPORT

to the Board

Orion Pharma Limited Declaration by CEO and CFO

Date: November 04, 2018

The Board of Directors
Orion Pharma Limited
153-154, Tejgaon I/A
Dhaka-1208

Subject: Declaration on Financial Statements for the year ended on June 30, 2018

Dear Sirs:

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Orion Pharma Limited for the year ended June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended June 30, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Salman Obaidul Karim
Chief Executive Officer (CEO)

Sd/-

Samaresh Banik
Chief Financial Officer (CFO)

Annexure - 3

COMPLIANCE REPORT

on IAS/IFRS

IAS No.	IAS Title	Remarks
01	Presentation of Financial Statements	Applied
02	Inventories	Applied
07	Statement of Cash Flows	Applied
08	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
10	Events after the reporting period	Applied
11	Construction Contracts	N/A
12	Income Taxes	Applied
16	Property, Plant and Equipment	Applied
17	Leases	Applied
18	Revenue	Applied
19	Employee Benefits	Applied with some departure
20	Accounting of Government Grants and Disclosure of Government Assistance	N/A
21	The Effects of Changes in Foreign Exchange Rates	Applied with some departure
23	Borrowing Costs	Applied
24	Related Party Disclosures	Applied
26	Accounting and Reporting by Retirement Benefit Plans	Applied with some departure
27	Separate Financial Statements	Applied
28	Investment in Associates and Joint Ventures	Applied with some departure
29	Financial Reporting in Hyperinflationary Economics	N/A
32	Financial Instruments: Presentation	Applied
33	Earnings per share	Applied
34	Interim Financial Reporting	Applied
36	Impairment of Assets	Applied
37	Provisions, Contingent Liabilities and Contingent Assets	Applied
38	Intangible Assets	N/A
39	Financial Instruments: Recognition and Measurement	Applied
40	Investment Property	N/A
41	Agriculture	N/A

IAS No.	IAS Title	Remarks
01	First-time Adoption of International Financial Reporting Standards	N/A
02	Share-based Payment	N/A
03	Business Combinations	N/A
04	Insurance Contracts	N/A
05	Non-current Assets Held for Sale and Discontinues Operations	N/A
06	Exploration for and Evaluation of Mineral Resources	N/A
07	Financial Instruments: Disclosures	Applied with some departure
08	Operating Segments	Applied with some departure
09	Financial Instruments	N/A
10	Consolidated Financial Statements	Applied
11	Joint Arrangements	N/A
12	Disclosure of Interests in Other Entities	N/A
13	Fair Value Measurement	Applied
14	Regulatory Deferral Accounts	N/A
15	Revenue from Contracts with Customers	N/A
16	Lease	N/A
17	Insurance Contracts	N/A

CERTIFICATE ON

Corporate governance code



Ref:

Date:

**REPORT TO THE SHAREHOLDERS
OF
ORION PHARMA LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code **ORION PHARMA LIMITED** for the year ended on 30th June, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except the condition No 3(1)(c) excluding the position of the Head of Internal Audit and Compliance (HIAC) of the company.
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

Place: Dhaka
Dated: 12th November, 2018.


Md. Selim Reza FCA/FCS
Partner
ARTISAN-Chartered Accountants



Annexure - 5

CHECKLIST ON

Corporate governance code

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.	BOARD OF DIRECTORS (BOD):			
1.1	Board's Size [The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)].	✓		The Board of Orion Pharma Limited is comprised of 7 (seven) Directors.
1.2	Independent Directors:			
1.2(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		Orion Pharma Limited Board comprised of 07 (Seven) Directors out of them 02 (two) are Independent Directors.
1.2(b)	Independent Director means a director			The Independent Directors have declared their compliances.
1.2(b) (i)	Who either does not hold any share in the Company or holds not less than one percent (1%) shares of the total paid-up shares of the Company	✓		
1.2(b) (ii)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the Company	✓		
1.2(b) (iii)	Who has not been executive of the Company in immediately preceding 2 (two) financial years.	✓		
1.2(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies	✓		
1.2(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate)holder director or officer of any stock exchange	✓		
1.2(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2(b) (vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code	✓		
1.2(b) (viii)	Who shall not independent director in more than 5 (Five) listed companies	✓		
1.2(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.2(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (c)	Independent Director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		Mr.Md.Shafiqur Rahman was appointed by the Board on 14.6.2018 which will be approved in the next AGM.
1.2 (d)	The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		There was no vacancy in the position of Independent Directors during the period.
1.2 (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:	✓		
1.3	Qualification of Independent Director (ID)			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws regulatory requirements and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of Independent Directors justify their ability as such.
1.3(b)	Independent director shall have following qualifications:			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association.		N/A	
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Chief Financial Officer or Head of Finance Or Accounts or Company Secretary or Head of internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of TK 100.00 million or of a listed Company.	✓		Independent Directors are Corporate Leader and have knowledge on Business, economics, finance etc. possessing more than 40 (Forty) years of experience.
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, Who has at least educational background of bachelor degree in economics or commerce or business or Law.	N/A		N/A
1.3(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law.	N/A		N/A
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or	N/A		N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
	Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.			
1.3(c)	The independent director shall have at least 10 (ten) years of experience in any filed mentioned in clause (b)	✓		Do
1.3(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission.	N/A		No such situation has occurred
1.4	Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer :-			
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals.	✓		Chairperson of the Board and CEO are different individuals.
1.4(b)	The managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company.	✓		Attained permission of Ministry of Commerce for common Group MD.
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company.	✓		Now non-executive director is working as Chairman.
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and /or Chief Executive Officer.	✓		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Boards meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		Do
1.5	The Directors' Report to Shareholders			
1.5(i)	Industry outlook & possible future development in the industry	✓		The Directors' Report complies with the guidelines.
1.5(ii)	Segment- wise or product- wise performance	✓		Do
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	✓		Do
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit and Net Profit Margin and Net profit Margin, Where applicable	✓		Do
1.5(v)	Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss)	✓		Do
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		Do
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	N/A		N/A
1.5(viii)	An explanation if the financial results deteriorate after the Company goes for IPO, RPO, Rights offer, Direct listing etc.	N/A		N/A
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		DO
1.5(x)	A statement of Remuneration paid to directors including independent directors	✓		DO
1.5(xi)	A statement that The financial statements present fairly its state of affairs, the result of its operations, cash flows and	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
	changes in equity			
1.5(xii)	Proper books of accounts have been maintained	✓		Do
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		Do
1.5(xiv)	IAS/IFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	✓		Do
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		Do
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		Do
1.5(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		Do
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		Do
1.5(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Do
1.5(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year	N/A		15% cash dividend has been recommended by the BOD
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	N/A		N/A
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	✓		Do
1.5(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5(xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties (Name wise details)	✓		Do
1.5(xxiii) (b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and their spouses and minor children (Name wise details)	✓		Do
1.5(xxiii) (c)	Executives	✓		Do
1.5(xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (Name wise details)	✓		In Annexure-I
1.5 (xxiv)	In case of appointment/re-appointment of a Director, disclose:			
1.5(xxiv)(a)	A brief resume of the Director	✓		Do
1.5(xxiv)(b)	Nature of his /her expertise in specific functional areas	✓		Do
1.5(xxiv)(c)	Name of companies in which the person also holds the directorship and the membership of committees of that Board.	✓		Do
1.5(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
	statements			
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		Do
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		Do
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		Do
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		Do
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company	✓		Do
1.5(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM	✓		Do
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		Do
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		Do
1.6	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		Do
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company	✓		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	✓		The existing Code of Conduct for the BOD is under review of the NRC which will be published in the website after necessary review and approval.
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company	✓		Orion Power Meghnaghat Limited & Dutch Bangla Power & Associates Limited are the 2 (Two) subsidiary Companies of OPL

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
s2(b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company	✓		Do
2(c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company	✓		Do
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also.	✓		Do
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	✓		Do
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3.1	Appointment			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		In Practice
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		In Practice
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time	✓		Will be complied by 31 st December, 2018
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		In Practice
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	✓		In Practice
3.2	Requirement to attend Board of Directors' Meetings			
		✓		In Practice
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	✓		
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3.3(a)(ii)	These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee.			
4.i	Audit Committee	✓		In Practice

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
4.ii	Nomination and Remuneration Committee.	✓		In Practice
5	AUDIT COMMITTEE:			
5(i)	Responsibility to the Board of Directors	✓		In Practice
5.1(a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		In Practice
5.1(b)	The Audit Committee shall assist the BOD in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	✓		In Practice
5.1(c)	The Audit Committee shall responsible to the BOD. The duties of the Audit Committee shall be clearly set forth in writing	✓		In Practice
5.2	Constitution of the Audit Committee	✓		
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	✓		The Audit Committee is composed with 3 (Three) members.
5.2(b)	The BOD shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) independent director.	✓		The members of the Audit Committee are appointed by the Board who are Directors and which include 2 (two) Independent Directors.
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	N/A		No such situation has occurred during this financial year
5.2(e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		In Practice
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		In Practice
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	✓		Mr. Md. Shafiqur Rahman, Independent Director, is the Chairman of the Audit Committee.
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		No such situation has occurred during this financial year

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		In Practice
5.4	Meeting of the Audit Committee			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		In Practice
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		In Practice
5.5	Role of Audit Committee			
5.5(a)	Oversee the financial reporting process	✓		In Practice
5.5(b)	Monitor choice of accounting policies and principles	✓		In Practice
5.5(c)	Monitor Internal Control Risk management process	✓		In Practice
5.5(d)	Oversee hiring and performance of external auditors	✓		In Practice
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		In Practice
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		In Practice
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		In Practice
5.5(h)	Review the adequacy of internal audit function;	✓		In Practice
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		In Practice
5.5(j)	Review statement of all related party transactions submitted by the management;	✓		In Practice
5.5(k)	Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors.	✓		In Practice
5.5(L)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		In Practice
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		
5.6	Reporting of the Audit Committee	✓		In Practice
5.6.(a)	Reporting to the Board of Directors	✓		In Practice
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board	✓		In Practice
5.6 (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any	✓		In Practice
5.6 (a) (ii)(a)	Report on conflicts of interests	✓		In Practice

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements	✓		In Practice
5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	✓		In Practice
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	✓		In Practice
5.6.(b)	Reporting to the Authorities	✓		In Practice
5.7	Reporting to the Shareholders and General Investors	✓		In Practice
6	Nomination and Remuneration Committee (NRC)			
6.a	Responsibility to the Board of Directors	✓		In Practice
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	✓		In Practice
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	✓		In Practice
6.1(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		In Practice
6.2	Constitution of the NRC	✓		In Practice
6.2(a)	The Committee shall comprise of at least three members including an independent director	✓		The NRC is composed with 3 (Three) members.
6.2(b)	All members of the Committee shall be non-executive directors	✓		All members of the NRC are non-executive Director.
6.2(c)	Members of the Committee shall be nominated and appointed by the Board	✓		The members of the NRC are appointed by the Board who are Directors and which include 2 (two) Independent Directors.
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		In Practice
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	✓		No such situation has occurred during this financial year
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee	✓		In Practice
6.2(g)	The Company Secretary shall act as the secretary of the Committee	✓		In Practice
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		No such situation has occurred during this financial year

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company	✓		Do
6.3	Chairperson of the NRC			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		Mr. Md. Shafiqur Rahman, Independent Director, is the Chairman of the Committee.
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		In Practice
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		The Chairperson of the NRC shall attend the upcoming Annual General Meeting (AGM)
6.4	Meeting of the NRC			
6.4(a)	The NRC shall conduct at least one meeting in a financial year	✓		In Practice
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	✓		NRC was formed after the reporting Financial Year and hence, no such meeting held during the reporting year
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	✓		In Practice
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	✓		In Practice
6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	✓		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		NRC was formed after the reporting Financial Year and now working on its scope of work.
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	✓		Do
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully			Do
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	✓		Do
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working			Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
	of the Company and its goals			
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	✓		Do
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			Do
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board			Do
6.5(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			Do
6.5(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies	✓		Do
6.5(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			Do
7.	EXTERNAL / STATUTORY AUDITORS:			
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely	✓		
7.1(i)	Appraisal or valuation services or fairness opinions	✓		
7.1(ii)	Financial information systems design and implementation	✓		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
7.1(iv)	Broker-dealer services	✓		
7.1(v)	Actuarial services	✓		
7.1(vi)	Internal audit services or special audit services	✓		
7.1(vii)	Any service that the Audit Committee determines	✓		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		
7.1(ix)	Any other service that creates conflict of interest	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
8.	Maintaining a website by the Company			
8.1	The Company shall have an official website linked with the	✓		www.orionpharmabd.com

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
	website of the stock exchange			linked with DSE and CSE
8.2	The Company shall keep the website functional from the date of listing	✓		In Practice
8.3	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		In Practice
9.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
9.1	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		Certificate has been obtained from ARTISAN-Chartered Accountants for the year ended on 30 June 2018 which is published in annual Report.
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		In Practice
9.3	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		In Practice

CONSOLIDATED VALUE ADDED STATEMENT

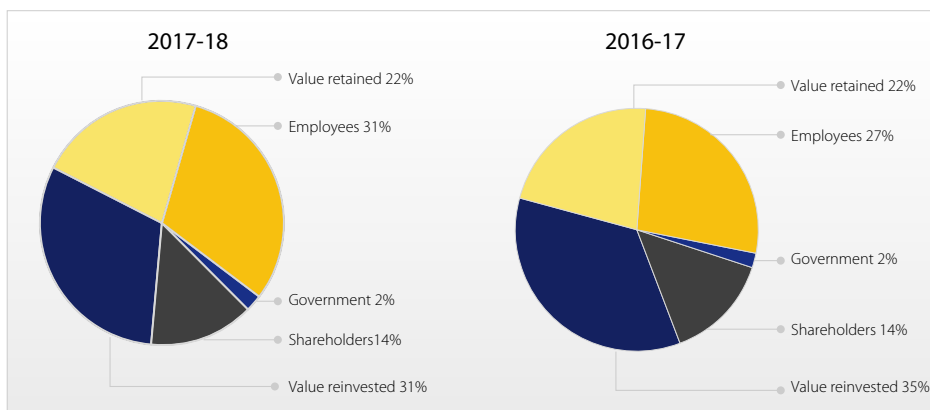
Value added statement shows how the value or wealth created by a company and its employees through its various business activities is measured and then shared after considering the amounts retained and reinvested in the company.

Set out here is the value added by the company and its employees during the period under review and how funds were applied.

During the financial year 2017-2018, 31.63% of the company's net value addition was distributed to employees, 13.83% to shareholders, 2.02% to Government and the remaining 52.51% was retained and reinvested for future expansion and growth.

With the aim of building long-term and sustainable value for all stakeholders, Orion Pharma Limited has increased its retained earnings for strategic expansion, modernization of our infrastructure and other investments to enhance its continued competitiveness. The increase in retained earnings by BDT 450.76 million against the last financial year's figure demonstrates the commitment to funding these initiatives.

VALUE ADDED	2017-18 BDT in million	2016-17 BDT in million
Value added by operating activities	2,380.64	2,461.60
Net revenue	10,423.10	9,534.35
Less: Cost of goods and services provided	(8,042.47)	(7,072.75)
Value added by investing activities	156.89	16.64
Interest and other income	149.72	9.86
Share of profit from associates	7.18	6.78
Wealth created	2,537.53	2,478.24
VALUE DISTRIBUTED	%	%
Distributed to employees	31.63	26.81
Salaries, wages, allowances and bonus	802.59 802.59	664.46 664.46
Distributed to Government	2.02	1.54
Income tax	51.36 51.36	38.15 38.15
Distributed to providers of capital	13.83	14.16
Dividend	351.00 351.00	351.00 351.00
Value reinvested	30.70	34.56
Depreciation and amortization	779.03 774.14	856.54 847.42
Deferred tax	4.89	9.12
Value retained	21.81	22.93
Retained profit	450.76	443.50
Non-controlling interest	102.78	124.59
Wealth distributed	100.00	100.00
	2,537.53	2,478.24



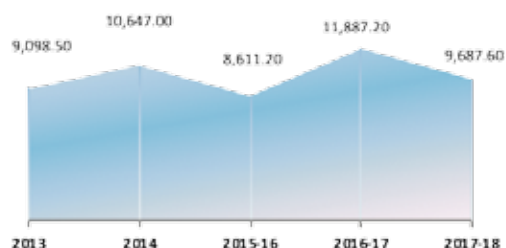
SHARE PERFORMANCE

	DSE	CSE
Stock Symbol	ORIONPHARM	ORIONPHARM
Company ID	18486	13027
Listing Year	2013	2013
Market Category	A	A
Electronic Share	Yes	Yes
Total Number of Outstanding Securities	234,000,000	234,000,000
	June 2017	June 2017
Market Capitalization – DSE (Million BDT)	9,687.60	11,887.20
Market Capitalization – CSE (Million BDT)	9,851.40	11,840.40
EPS (BDT)	3.43	3.40
DPS (BDT)	1.5	1.5
Payout Ratio (%)	43.73	44.12
Share Price –DSE (BDT)	41.40	50.80
Share Price- CSE (BDT)	42.10	50.60
Weighted Average Number of Shares Outstanding	234,000,000	234,000,000

MONTH END SHARE PRICE
For a period of July 2017 to June 2018

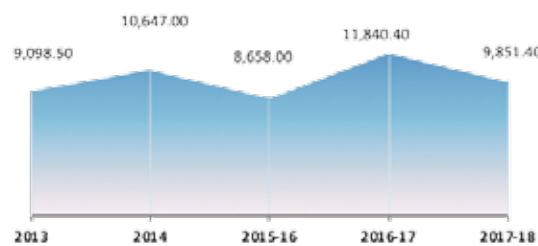


MARKET CAPITALIZATION
DSE
Million BDT



DSE

MARKET CAPITALIZATION
CSE
Million BDT



HUMAN RESOURCE ACCOUNTING

Human Resource Accounting is the activity of knowing the cost invested for employees towards their recruitment, training them, payment of salaries & other benefits paid and in return knowing their contribution to organization towards its profitability. Orion Pharma Limited has undertaken this attempt to identify and report investments made in the human resources of the company and will provide information to the stakeholders regarding what changes overtime is occurring to the human resources of the business, and of the cost and value they are to the organization.

Our company uses the Lev and Schwartz model to assess the value of Human Resource. As per this model, human resource of a company is the summation of value of all the Net present value (NPV) of expenditure on employees. According to the Management of Orion Pharma Limited, the total value of Human Capital has been ascertained BDT 663.74 million for the financial year 2017-2018 and BDT 545.86 million in the financial year 2016-2017. The total value added to Human Capital has been ascertained BDT 254.07 million for the financial year 2017-2018 and BDT 240.31 million in the financial year 2016-2017.

H.R Value Accounting: Lev & Schwartz model

Year	2017-18	2016-17
Employees (no.)	2,527	2,287
Net Revenue (Million BDT)	1,976.85	1,996.31
Value of Human Resources* (Million BDT)	663.74	545.83
Value Added (Million BDT)	254.07	240.31
Ratio of:		
Net Revenue/ Value of Human Resources	2.98	3.66
Value Added/ Value of Human Resources	0.38	0.44

Value of Human Resources*	2017-18	2016-17
Salaries, wages & other allowances	613.40	491.94
Fooding Expenses	25.96	29.41
Training, overseas travel & conference	12.83	15.19
Workers profit participation fund	11.55	9.29
Total	663.74	545.83

2017-18

DIRECTORS' REPORT

to the shareholders for the period ended June 30, 2018



Dear Shareholders,

The Directors present their report, together with the audited financial statements, on the consolidated entity consisting of Orion Pharma Limited and the entities it controlled at the end of, or during the financial year ended June 30, 2018.

INDUSTRY OUTLOOK

In Bangladesh Pharmaceutical sector is one of the most developed hi-tech sectors which is contributing in the country's economy. The professional knowledge, thoughts and innovative ideas of the professionals working in this sector are the key factors for this development. Due to recent development of this sector Bangladesh is exporting medicines to global market including European market. This sector is also providing 97% of the total medicine requirement of the local market.

Bangladesh Pharmaceutical Industry is now heading towards self-sufficiency in meeting the local demand. There are out 3,534 generics registered in Bangladesh. During the last two decades the pharmaceutical industry of Bangladesh has been taken a newer height. Besides meeting the need of local demand Bangladesh has exported the medicines to more than 107 countries.

The last five year's market scenario of the pharmaceutical industry of Bangladesh is as follows:

Year	Market Size (BDT in million)	Growth (%)
2014	111,160	10.67 %
2015	121,900	9.67 %
2016	168,580	38.29 %
2017	183,830	29.23%
2018	198,610	8.04%

HIGHLIGHTS ON FINANCIAL RESULTS

This page provides a high level snapshot of some of our key performance indicators (on consolidated figure) regarding our financial performance of the FY 2017-18 along with the preceding financial period:

Particulars	2017-18	2016-17	% increase (decrease)
Net Turnover (BDT)	10,423,101,099	9,534,345,195	9.32%
Cost of Sales (BDT)	(8,046,902,507)	(7,115,095,261)	13.10%
Gross Profit (BDT)	2,376,198,593	2,419,249,934	(1.78%)
Net Profit (BT) (BDT)	953,628,409	959,577,869	(0.62%)
Net Profit (AT) (BDT)	801,763,805	794,495,811	0.91%
Number of Shares	234,000,000	234,000,000	-
Basic Earnings per Share	3.43	3.40	0.88%

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Orion Pharma Limited itself is operating its business in a single economic segment i.e. the pharmaceutical industry of Bangladesh within and outside the territory of Bangladesh. The company is the parent company of another two power generation companies i.e. Orion Power Meghnaghat Limited and Dutch Bangla Power & Associates Limited. These two revenue generating subsidiary companies have been in operation in the power sector of our country since 2011. The breakup of consolidated sales figure (pharmaceutical and power sector) and sales figure of Orion Pharma Limited into Local and Export Sales are as described here.

Sector wise sales breakup:

Year	Pharmaceutical	Power	Total Revenue
2017-18	1,976,852,860	8,446,248,239	10,423,101,099
2016-17	1,996,306,215	7,538,038,980	9,534,345,195

Local and Export Pharma sales breakup:

Year	Local	Export	Total Revenue
2017-18	1,866,787,564	110,065,296	1,976,852,860
2016-17	1,886,615,036	109,691,179	1,996,306,215

PHARMA COST OF GOODS SOLD AND PROFIT MARGIN

The cost of goods sold compared to net turnover has remained almost same and reached to 44.18% from 44.34% over last year. The breakup of cost of goods sold along with the percentage of each element of COGS in terms of total COGS are as described here.

COGS	Value in BDT		% of Total COGS	
	2017-18	2016-17	2017-18	2016-17
Raw Materials	408,335,545	353,911,894	46.75	39.98
Packing Materials	202,166,048	175,884,340	23.15	19.87
Factory Overhead	305,694,329	299,084,054	35.00	33.79
Manufacturing Cost	916,195,922	828,880,288	104.90	93.64
WIP (Opening-Closing)	(8,276,212)	977,148	(0.95)	0.11
FG (Opening-Closing)	(23,299,269)	66,583,719	(2.67)	7.52
Less: Cost of Physician Sample	(11,183,824)	(11,286,652)	(1.28)	(1.28)
Cost of Goods Sold	873,436,617	885,154,503	100.00	100.00

A close-up photograph of a person's hands holding a pen over a document. The document features a blue logo consisting of a stylized leaf or fan shape, and a bar chart with several vertical bars of varying heights. The background is softly blurred, showing a window with light coming through.

**Auditor's report &
audited financial
statements
for the financial year ended
June 30, 2018**

**Independent Auditor's Report
To the Shareholders
of
Orion Pharma Limited**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Orion Pharma Limited** and its subsidiaries and associate (the group), as well as the separate financial statements of Orion Pharma Limited (the company), which comprise the consolidated and separate Statement of Financial Position as at June 30, 2018 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2018 and a summary of significant accounting policies and other explanatory information thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations. This responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements of the company give a true and fair view of the Statement of Financial Position of the company as well as of the group as at June 30, 2018 and of their Statement of Profit or Loss and other Comprehensive Income and their Statement of Cash Flows for the year then ended 30 June 2018 in accordance with International Financial Reporting Standards (IFRSs) and other applicable Rules and Regulations.

Other Matter

The financial statements of the company's subsidiaries of Dutch Bangla Power and Associates Limited and Orion Power Meghnaghat Limited have been audited by another auditor as at June 30, 2018 and who expressed unqualified opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, 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 separate and the consolidated statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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.

Dated: 31 October 2018

Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Financial Position
As at 30 June 2018

Particulars	Notes	Amount in Taka	
		30 June 2018	30 June 2017
Assets			
Non-current assets		18,413,933,278	18,199,055,362
Property, plant and equipment	5	13,144,226,580	13,555,928,520
Construction work in progress	6	2,836,431,969	2,201,030,644
Investment in associates	8	260,041,000	256,054,000
Other investments	9	2,173,233,729	2,186,042,198
Current assets		12,300,762,445	9,963,731,093
Inventories	10	1,188,512,467	1,017,944,110
Trade and other receivables	11	9,747,876,430	7,845,637,156
Advances, deposits and prepayments	12	849,757,878	814,201,012
Fixed deposit with banks	13	7,565,262	7,145,845
Cash and cash equivalents	14	507,050,408	278,802,970
Total assets		30,714,695,724	28,162,786,455
Equity and liabilities			
Shareholder's equity		17,054,211,260	16,602,518,787
Share capital	15	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	16	1,944,512,923	1,976,561,162
Retained earnings	17	4,752,806,311	4,269,065,599
Non - controlling interest	18	1,065,399,016	962,615,421
Total equity		18,119,610,276	17,565,134,208
Non-current liabilities		5,808,083,274	5,175,148,658
Redeemable preference shares	Annexure-E	500,000,000	500,000,000
Provision for decommissioning of assets	Annexure-F	143,405,563	143,405,563
Long term loan	19	5,055,763,515	4,428,289,449
Employee benefits payable	20	29,919,147	23,666,139
Deferred tax liability	21	78,995,050	79,787,507
Current liabilities		6,787,002,174	5,422,503,589
Short term loan	22	2,238,473,219	1,829,112,606
Trade and other payables	23	3,847,479,764	2,890,212,047
Accrued expenses	24	701,049,192	703,178,936
Total equity and liabilities		30,714,695,724	28,162,786,455
Number of shares used to compute NAV		234,000,000	234,000,000
Net asset value (NAV) including revaluation surplus		72.88	70.95
Net asset value (NAV) excluding revaluation surplus		64.55	62.48

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED
Statement of Financial Position
As at 30 June 2018

Particulars	Notes	Amount in Taka	
		30 June 2018	30 June 2017
Assets			
Non-current assets		11,096,227,931	10,482,010,033
Property, plant and equipment	5a	4,809,521,233	4,821,883,191
Construction work in progress	6	2,836,431,969	2,201,030,644
Investment in subsidiaries	7	1,017,000,000	1,017,000,000
Investment in associates	8	260,041,000	256,054,000
Other investments	9	2,173,233,729	2,186,042,198
Current assets		6,795,570,490	6,054,170,090
Inventories	10a	271,925,189	274,461,441
Trade and other receivables	11a	5,524,979,159	5,133,000,349
Advances, deposits and prepayments	12a	658,445,869	568,298,120
Fixed deposit with banks	13	7,565,262	7,145,845
Cash and cash equivalents	14a	332,655,011	71,264,335
Total assets		17,891,798,421	16,536,180,123
Equity and liabilities			
Shareholder's equity		12,598,699,406	12,766,848,872
Share capital	15	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	16a	1,528,864,782	1,545,045,941
Retained earnings	17a	712,942,598	864,910,905
Non-current liabilities		2,316,339,544	1,041,333,925
Long Term loans	19a	2,207,425,348	937,880,279
Employee benefits	20	29,919,147	23,666,139
Deferred tax liability	21	78,995,050	79,787,507
Current liabilities		2,976,759,470	2,727,997,327
Short term loans	22	2,238,473,219	1,829,112,606
Trade and other payables	23a	506,384,796	517,224,085
Accrued expenses	24a	231,901,455	381,660,636
Total shareholder's equity and liabilities		17,891,798,421	16,536,180,123
Number of shares used to compute NAV		234,000,000	234,000,000
Net asset value (NAV) including revaluation surplus		53.84	54.56
Net asset value (NAV) excluding revaluation surplus		47.81	48.47

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Amount in Taka	
		01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
Revenue from net sales	25	10,423,101,099	9,534,345,195
Cost of goods sold	26	(873,436,617)	(885,154,503)
Cost of power generation	27	(7,173,465,890)	(6,229,940,758)
Gross profit		2,376,198,593	2,419,249,934
Operating expenses		(848,925,423)	(771,822,108)
General and administrative expenses	28	(319,850,843)	(274,046,766)
Selling and distribution expenses	29	(529,074,580)	(497,775,342)
Profit from operation		1,527,273,170	1,647,427,826
Financial Expenses	30	(711,810,898)	(688,421,688)
Interest and other income	31	149,716,281	9,858,991
Net profit from operation		965,178,553	968,865,129
Workers profit participation fund expenses		(11,550,144)	(9,287,259)
Net profit before tax		953,628,409	959,577,869
Income tax		(56,257,610)	(47,266,560)
Current tax expenses	32	(51,363,437)	(38,151,481)
Deferred tax income/(expense)	21	(4,894,173)	(9,115,079)
Net profit after tax		897,370,800	912,311,309
Share of profit from associate	8	7,176,600	6,777,900
Net profit		904,547,400	919,089,209
Less: Non controlling interest (share of operating profit)		(102,783,595)	(124,593,398)
Net profit after tax attributable to ordinary shareholders		801,763,805	794,495,811
Add: Other comprehensive income		(13,143,064)	(69,537,897)
Fair value gain/(loss) on marketable securities		(19,080,214)	(9,477,284)
Fair value gain/(loss) on investment in associates		4,217,843	(65,467,089)
Share of other comprehensive income		(1,205,443)	1,542,189
Deferred tax income (expenses) on revaluation surplus of PPE & Fair value changes of Mkt. securities		2,924,749	3,864,287
Total comprehensive income attributable to ordinary shareholders		788,620,741	724,957,914
Basic earning per share (EPS)	33	3.43	3.40

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

Particulars	Notes	Amount in Taka	
		01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
Revenue from net sales	25a	1,976,852,860	1,996,306,215
Cost of goods sold	26	(873,436,617)	(885,154,503)
Gross profit		1,103,416,243	1,111,151,712
Operating expenses		(775,050,906)	(718,666,854)
General and administrative expenses	28a	(245,976,326)	(220,891,512)
Selling and distribution expenses	29	(529,074,580)	(497,775,342)
Profit from operation		328,365,338	392,484,858
Financial Expenses	30a	(235,528,600)	(207,311,402)
Interest and other income	31	149,716,281	9,858,991
Net profit from operation		242,553,019	195,032,447
Workers profit participation fund		(11,550,144)	(9,287,259)
Net profit before tax		231,002,875	185,745,188
Income tax		(56,257,610)	(47,266,560)
Current tax expenses	32	(51,363,437)	(38,151,481)
Deferred tax income/(expense)	21	(4,894,173)	(9,115,079)
Net profit after tax		174,745,265	138,478,628
Share of profit from associate	8	7,176,600	6,777,900
Net profit		181,921,865	145,256,528
Add: Other comprehensive income		(13,143,064)	(69,537,897)
Fair value gain of marketable securities		(19,080,214)	(9,477,284)
Fair value gain on investment in associates		4,217,843	(65,467,089)
Share of other comprehensive income		(1,205,443)	1,542,189
Deferred tax income (expenses) on revaluation surplus of PPE & Fair value changes of Mkt. securities		2,924,749	3,864,287
Total comprehensive income attributable to ordinary shareholders		168,778,801	75,718,631
Basic earning per share (EPS)	33a	0.78	0.62

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the year ended 30 June 2018

Particulars	Amount in Taka					
	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Total	Total
Balance as at 01 July 2017	2,340,000,000	8,016,892,026	1,976,561,162	4,269,065,600	16,602,518,787	17,565,134,208
Prior year adjustment	-	-	-	2,851,455	2,851,455	2,851,455
Net Profit after Tax	-	-	-	801,763,805	801,763,805	904,547,399
Fair Value Gain on Investment in Associates	-	-	4,217,843	-	4,217,843	4,217,843
Dividend for the year 2016-2017	-	-	-	(351,000,000)	(351,000,000)	(351,000,000)
Adjustment for sale of Mkt. Securities	-	-	11,220,278	-	11,220,278	11,220,278
Fair Value Gain on Marketable Securities	-	-	(19,080,214)	-	(19,080,214)	(19,080,214)
Share of Other Comprehensive Income	-	-	(1,205,443)	-	(1,205,443)	(1,205,443)
Adjustment of deferred tax on revaluation surplus	-	-	2,924,749	-	2,924,749	2,924,749
Depreciation on Revaluation Surplus	-	-	(30,125,451)	30,125,451	-	-
Balance as at 30 June 2018	2,340,000,000	8,016,892,026	1,944,512,923	4,752,806,310	17,054,211,260	18,119,610,276
					1,065,399,016	

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the year ended 30 June 2017

Particulars	Amount in Taka					
	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Total	Total
Balance as at 01 July 2016	2,340,000,000	8,016,892,026	2,083,239,548	3,937,687,989	16,377,819,563	17,216,126,018
Prior year adjustment	-	-	-	(144,344,718)	(144,344,718)	(144,629,151)
Net Profit after Tax	-	-	-	794,495,811	794,495,811	919,089,209
Fair Value Gain on Investment in Associates	-	-	(65,467,089)	-	(65,467,089)	(65,467,089)
Dividend for the year 2015-2016	-	-	-	(351,000,000)	(351,000,000)	(351,000,000)
Adjustment for sale of Mkt. Securities	-	-	(4,913,972)	-	(4,913,972)	(4,913,972)
Fair Value Gain on Marketable Securities	-	-	(9,477,284)	-	(9,477,284)	(9,477,284)
Share of Other Comprehensive Income	-	-	1,542,189	-	1,542,189	1,542,189
Adjustment of deferred tax on revaluation surplus	-	-	3,864,287	-	3,864,287	3,864,287
Depreciation on Revaluation Surplus	-	-	(32,226,517)	32,226,517	-	-
Balance as at 30 June 2017	2,340,000,000	8,016,892,026	1,976,561,162	4,269,065,599	16,602,518,787	17,565,134,208
					962,615,421	

Sd/-

Managing Director

Sd/-

Director

Sd/-

Chief Financial Officer

Sd/-

Company Secretary

Dated: 31 October 2018

Place: Dhaka

ORION PHARMA LIMITED
Statement of Changes in Equity
For the year ended 30 June 2018

Particulars	Amount in Taka				
	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
Balance as at 01 July, 2017	2,340,000,000	8,016,892,026	1,545,045,941	864,910,904	12,766,848,872
Prior year adjustment	-	-	-	2,851,455	2,851,455
Net Profit after tax	-	-	-	181,921,865	181,921,865
Dividend for the period 2016- 2017	-	-	-	(351,000,000)	(351,000,000)
Fair Value gain on Investment in Associates	-	-	4,217,843	-	4,217,843
Share of other comprehensive Income	-	-	(1,205,443)	-	(1,205,443)
Adjustment for sale of Mkt. Securities	-	-	11,220,278	-	11,220,278
Fair Value gain on Marketable Securities	-	-	(19,080,214)	-	(19,080,214)
Adjustment of deferred tax on revaluation Surplus	-	-	2,924,749	-	2,924,749
Adjustment for Dep on Revaluation Surplus	-	-	(14,258,373)	14,258,373	-
Balance as at 30 June 2018	2,340,000,000	8,016,892,026	1,528,864,782	712,942,598	12,598,699,406

ORION PHARMA LIMITED
Statement of Changes in Equity
For the year ended 30 June 2017

Particulars	Amount in Taka				
	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
Balance at 01 July 2016	2,340,000,000	8,016,892,026	1,635,665,548	1,199,115,795	13,191,673,369
Prior year adjustment	-	-	-	(144,629,157)	(144,629,157)
Net profit after tax	-	-	-	145,256,528	145,256,528
Dividend for the period 2015- 2016	-	-	-	(351,000,000)	(351,000,000)
Fair Value gain on investment in associates	-	-	(65,467,089)	-	(65,467,089)
Share of other comprehensive income	-	-	1,542,189	-	1,542,189
Adjustment for sale of mkt. securities	-	-	(4,913,971)	-	(4,913,971)
Fair value gain on marketable securities	-	-	(9,477,284)	-	(9,477,284)
Adjustment of deferred tax on revaluation surplus	-	-	3,864,287	-	3,864,287
Adjustment for dep on revaluation surplus	-	-	(16,167,739)	16,167,739	-
Balance as at 30 June 2017	2,340,000,000	8,016,892,026	1,545,045,941	864,910,905	12,766,848,872

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Dated: 31 October 2018
Place: Dhaka

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the year ended 30 June 2018

Sl. No.	Particulars	Amount in Taka	
		01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
A. Cash Flows from Operating Activities :			
	Cash received from customers and others	9,688,657,545	8,925,270,483
	Cash paid to suppliers and others	(6,466,373,463)	(5,868,244,291)
	Cash payment for operating expenses	(967,254,445)	(687,076,073)
	Cash Generated from Operations	2,255,029,637	2,369,950,119
	Income taxes paid	(60,696,580)	(118,751,747)
	Net cash (used in)/ provided by operating activities	2,194,333,057	2,251,198,372
B. Cash Flows from Investing Activities :			
	Acquisition of property, plant & equipment	(362,435,968)	(317,882,589)
	Capital work in progress	(635,401,325)	(609,605,935)
	Investment in securities and others	4,948,532	(117,008,661)
	Investment in subsidiaries and associates	(383,712,325)	63,349,000
	Proceeds from investment in FDR	(419,417)	(388,142)
	Interest, Dividend & Other Income	149,716,281	1,918,911
	Net cash (used in)/ provided by investing activities	(1,227,304,221)	(979,617,416)
C. Cash Flows from Financing Activities :			
	Long Term Loan Received / (Paid)	591,934,064	(769,101,795)
	Short Term Loan Received / (Paid)	(262,859,765)	879,930,222
	Interest paid	(650,807,216)	(1,123,428,989)
	Dividends paid	(417,048,480)	(215,615,446)
	Net cash (used in)/ provided by financing activities	(738,781,397)	(1,228,216,009)
	Net Cash Increase/(decrease) during the year (A+B+C)	228,247,438	43,364,946
	Cash & cash equivalents at the beginning of the year	278,802,970	235,438,024
	Cash & cash equivalents at the end of the year	507,050,408	278,802,970
	Net Operating Cash Flows Per Share (NOCFPS)	9.38	9.62

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED
Statement of Cash Flows
For the year ended 30 June 2018

Sl. No.	Particulars	Amount in Taka	
		01.07.2017 to 30.06.2018	01.07.2016 to 30.06.2017
A.	Cash Flows from Operating Activities:		
	Cash received from customers and others	1,974,788,375	1,676,084,077
	Cash paid to suppliers and others	(696,142,576)	(644,232,846)
	Cash payment for operating expenses	(967,254,445)	(687,076,073)
	Cash Generated from Operations	311,391,354	344,775,158
	Income taxes paid	(60,696,580)	(118,751,747)
	Net cash (used in)/ provided by operating activities	250,694,774	226,023,411
B.	Cash Flows from Investing Activities:		
	Acquisition of property, plant & equipment	(150,764,448)	(311,381,645)
	Capital work in progress	(635,401,325)	(609,605,935)
	Investment in securities and others	4,948,533	(117,008,661)
	Investment in subsidiaries and associates	(383,712,325)	63,349,000
	Proceeds from investment in FDR	(419,417)	(388,142)
	Interest, Dividend & Other Income	149,716,281	1,918,911
	Net cash (used in)/ provided by investing activities	(1,015,632,700)	(973,116,472)
C.	Cash Flows from Financing Activities:		
	Long term loan received / (paid)	1,269,545,069	(59,278,294)
	Short term loan received / (paid)	409,360,613	1,267,287,384
	Interest paid	(235,528,600)	(207,311,401)
	Dividends paid	(417,048,480)	(215,615,446)
	Net cash (used in)/ provided by financing activities	1,026,328,602	785,082,242
	Net cash increase/decrease during the year (A+B+C)	261,390,676	37,989,181
	Cash & cash equivalents at the beginning of the year	71,264,335	33,275,154
	Cash & cash equivalents at the end of the year	332,655,011	71,264,335
	Net Operating Cash Flows Per Share (NOCFPS)	1.07	0.97

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information

For the year ended 30 June 2018

1.00 Reporting Entity

1.01 Background of the Entity

Orion Pharma Limited, earlier called Orion Laboratories Limited was incorporated in 1965 as a private limited company. The Company was converted into a public limited company on 24 July 2010. The registered office of the company "Orion House" is situated at 153-154 Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

The Company was listed both with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 20 March 2013.

1.01.2 Nature of Business

Orion Pharma Limited is engaged in the creation and discovery, development, manufacturing and marketing of pharmaceutical products including vaccines and health-related consumer products.

1.02 Subsidiary Companies

1.02.1 Orion Power Meghnaghat Limited

Orion Power Meghnaghat Ltd. (IEL Consortium and Associate Ltd.) was incorporated on 30 June 2010 as a public limited company under the Companies Act, 1994 with authorized share capital of Tk. 4,000,000,000 divided into 400,000,000 Ordinary shares of Tk. 10 each. The company implemented a 100 MW HFO Power based Plant on quick rental basis in Meghnaghat, Dhaka with machineries and equipment supplied by Wartsila OY, Finland. The generated output of 105 MW electricity is being regularly supplied to national grid. Orion Pharma Ltd. holds 95% of equity share of this company directly.

1.02.2 Dutch Bangla Power & Associates Limited

Dutch Bangla Power & Associates Limited was incorporated on 1 July 2010 as a public limited company under the Companies Act, 1994 with authorized share capital of Tk. 1,000,000,000 divided into 100,000,000 ordinary shares of Tk. 10 each. The Company was awarded by the Government of Bangladesh and BPDB to implement 100 MW HFO Power Plant on quick rental basis in Siddhirganj, Narayanganj with machineries and equipment supplied by Wartsila OY, Finland. The generated output of 105 MW electricity is being regularly supplied to national grid. Orion Pharma Ltd. holds 67% of equity share of this Company.

1.03 Associate Company

Orion Infusion Limited

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

The Company was listed with Dhaka Stock Exchange Limited (DSE) on 5 October 1994 and Chittagong Stock Exchange Limited (CSE) on 22 September 1996. Orion Pharma Ltd. holds 21.76 % of equity share of this company directly.

2.00 Basis of Preparation and Presentation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable.

2.02 Components of the Financial Statements

According to IAS-1 "Presentation of Financial Statements", the complete set of financial statements includes the following components-

- i. Statement of Financial Position as at 30 June 2018,
- ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018,
- iii. Statement of Changes in Equity for the year ended 30 June 2018,
- iv. Statement of Cash Flows for the year ended 30 June 2018, and

Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended 30 June 2018.

2.03 Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

2.04 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Taka/Tk./BDT, which is the company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT. Further, the entire funds from financing activities are presented in BDT.

2.05 Comparative Information

Comparative information has been disclosed in respect of year 2016-2017 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

2.06 Reporting Period

The Financial Year of the parent and subsidiary companies cover one year from 1 July 2017 to 30 June 2018.

2.07 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.08 Materiality, Aggregation and Off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of any asset or liability as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore.

2.09 Going Concern Review

As per IAS-1, a company is required to make assessment at the end of each year to make assessment of its capability to continue as going concern. Management of the company makes such assessment each year. The company has adequate resources to continue its operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.10 Date of Authorization

The financial statements were authorized for issue by the Board of Directors in its meeting held on October 31, 2018 for publication.

3.00 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Revenue

3.02 Property, Plant and Equipment

3.03 Borrowing Costs

3.04 Inventories

3.05 Cash and Cash Equivalents

3.06 Investment in Associates

3.07 Consolidated Financial Statements

3.08 Earnings per Share (EPS)

3.09 Foreign Currency Transactions

3.10 Employee Benefits

3.11 Provision, Accrued Expenses and Other Payables

3.12 Financial Instruments

3.13 Operating Segments

3.14 Statement of Cash Flows

3.15 Related Party Disclosures

3.16 Income Tax

3.17 Contingent Assets and Liabilities

3.18 Events after the Reporting Period

3.01 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in other income in the Statement of Profit or Loss and other Comprehensive Income.

Dividends

Revenue is recognized when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Other Income recognized on accrual basis as per framework of International Accounting Standards (IAS).

3.02 Property, Plant and Equipment

Recognition and Measurement

An item shall be recognized as property, plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably in accordance with the provisions of IAS 16: Property, Plant and Equipment.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as 'Repair & Maintenance' when it is incurred.

Depreciation on Property, Plant & Equipment

Depreciation of an assets begins when it is available for use under reducing balance method. Depreciation is charged on all PPE except land and land developments at the following rates:

Particular of Assets	Rate of Depreciation
Factory & Office Building	10%
Plant & Machinery	15%
Furniture and Fixtures	15%
Vehicles	20%
Office Equipment	15%
Laboratory Equipment	15%

Revaluation of Property, Plant and Equipment

Land, buildings & civil constructions and plant & machineries are subsequently measured at fair value. Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

On 31 December 2008 & 31 December 2011 the Company has made revaluation of the Company's Land and Land developments, Factory and Office Building and Plant and Machinery to reflect fair value thereof in terms Depreciated current cost thereof. Details of revaluation as on 31 December 2011 are as follows:

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	The carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
1. Land and Land development	Syful Shamsul Alam & Co. (Statutory auditor at that year S.F. Ahmed & Co.)	Chartered Accountants	31 December 2011	1,167,752,249	2,340,699,850	1,172,947,601
2. Factory and Office Building				144,440,015	198,198,786	53,758,771
3. Plant and Machinery				130,512,146	177,645,275	47,133,129
				1,442,704,410	2,716,543,911	1,273,839,501

The increase in the carrying amount of revalued assets is recognized in the separate component of equity under the head z "Revaluation Surplus".

Other Fixed Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the Statement of Financial Position of the Company.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each Statement of Financial Position to determine whether there is any indication of impairment loss as per IAS 36: Impairment of Assets. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

Disposal of Property, Plant and Equipment

An item of property, plant and equipment is removed from the statement of financial position when it is disposed of or when no future economic benefit is expected from its use or disposal. The gain or loss on the disposal of an item of property, plant and equipment is included in the Statement of Profit or Loss and Other Comprehensive Income of the year in which de-recognition occurs.

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/ acquisition is completed and measured at cost.

3.03 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.04 Inventories

Inventories are included in the financial statements at the lower of cost (including raw materials, direct labor, other direct costs and related production overheads) and net realizable value. Cost is generally determined on a first in, first out basis.

3.05 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current, deposit accounts, short term investments and with brokerage house which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.06 Investment in Associates

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Equity Method has been followed in accordance with IAS 28 "Investments in Associates and Joint Ventures".

3.07 Consolidated Financial Statements

A parent prepares consolidated financial statements when it controls one or more other entities using uniform accounting policies like transactions and other events in similar circumstances as per IFRS 10 "Consolidated Financial Statements".

Consolidated financial statements:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

3.08 Earnings per Share (EPS)

The company calculates Earning Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note - 33 of the financial statements.

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.09 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

3.10 Employee Benefits Provision

Confirmed employees of the company are entitled to get provident fund where both the employee's and employer's contribution is respectively 10% which is recognized.

Workers' Profit Participation Fund (WPPF)

The Company provides 80% of 5% of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labor Act 2006 as amended in 2013.

Remaining 20% of 5% is transferred equivalently to "Employee Welfare Fund" and "Bangladesh Workers Welfare Foundation".

3.11 Provisions, Accrued Expenses and Other Payables

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Other Payables are not interest bearing and are stated at their nominal value.

3.12 Financial Instruments – Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include available for sale assets, held to maturity assets, assets held for trading, loans and receivable and cash and cash equivalent.

Financial liabilities include borrowings, others financing and bank loan and accounts payables.

Recognition

An entity recognizes financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument.

Subsequent Measurement

Asset Category	Description	Measurement After Initial Recognition	Recognition
Available for sale Fixed Assets: 1. Investment in marketable securities. 2. Investment in Associates.	Financial assets that are either effectively designated into the category or do not fall into any other category.	Fair Value	i) Realized gain-loss/Dividend Income/Interest income to Statement of profit or loss and other comprehensive income. ii) Unrealized gain-loss to Statement of Comprehensive Income.
Held to maturity of FDR	Financial assets with fixed maturities are classified as held to maturity.	Amortized cost using the EIR	Realized gain-loss/Interest Income to Statement of profit or loss and other Comprehensive Income
Loans and receivables: 1. Trade Receivable 2. Other Receivables	Unquoted financial assets with fixed or determinable payments.	Amortized cost/cost	Realized gain-loss/Interest Income foreign currency gain loss to Statement of profit or loss and other Comprehensive Income.
Financial liabilities at cost/amortized cost : 1. Short term loan. 2. Trade creditors 3. Others payables.	All financial liabilities other than those at fair value through profit and loss.	Amortized cost	Realized gain-loss/Interest Income foreign currency gain loss to Statement of profit or loss and other Comprehensive Income.

Risks Associated with Financial Instruments:

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing. Again it is in the position to negotiate with banks for facilities such as-Cash Credit Hypo, Loan against Trust Receipt, Bank Overdraft etc. Already the company has been availing some of the facilities mentioned above.

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables.

The company has basic ways to lower the risk of not getting money-

1. Thoroughly check a new customer's credit record
2. Establish credit limits
3. Develop a standard process for handling and monitoring overdue accounts on an ongoing basis.

Goods are sold mostly to Government Institutions on credit. Moreover the company has strong credit recovery team. They constantly monitor the credit and the recovery rate is almost hundred percent with few exceptions.

As at 30 June 2018 all of the trade receivables are due for less than 180 days and subject to insignificant credit risk. Risk exposures from other financial assets i.e. cash at bank and other external receivables are nominal.

Market Risk

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. The company is exposed to these as it has no hedging facility against these sorts of risks.

(a) Currency risk

The company is exposed to currency risk on certain purchases since the company imports materials and machineries from abroad, unfavorable volatility of currency fluctuation may affect the profitability of the company.

(b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings.

3.13 Operating Segments

No geographical segment reporting is applicable for the Company as required by IFRS 8: "Operating Segments", as the Company operates in a single geographical area.

3.14 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS-7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS-7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.15 Related Party Disclosures

As per Bangladesh Accounting Standards IAS-24 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note-36 in financial statements.

3.16 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.16.1 Current tax

Current tax expense has been recognized on the basis of the Finance Act 2018 and Income Tax Ordinance 1984.

3.16.2 Deferred tax

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount / reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. The deferred tax asset / income or liability / expense do not create a legal recoverability / liability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets / liabilities on revaluation surplus is included in the statement of Profit or Loss and other Comprehensive Income.

3.17 Contingent Assets and Liabilities**3.17.1 Contingent Assets**

A Contingent asset is disclosed when it is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.17.2 Contingent Liabilities

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company has no contingent assets or liabilities which require disclosures under IAS-37. Contingent assets and contingent liabilities are not recognized in the financial statements.

A contingent assets is disclosed as per IAS-37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

3.18 Events After the Reporting Period

As per IAS-10: 'Events after the Reporting Period', events after the reporting period that provide additional information about the company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are

reflected in the financial statements. Events after the Reporting Period have been given in note-38 in the financial statements.

4.00 Risk Exposure

4.01 Interest Rate Risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The company maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

4.02 Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

4.03 Industry Risk

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in pharmaceutical sector in Bangladesh. Furthermore there is untapped international market.

4.04 Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Management is fully aware of the market risk, and act accordingly. Market for pharmaceuticals, drugs and medicines in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

4.05 Operational Risk

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

4.06 Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle its obligations on time or at a reasonable price.

Management Perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date.

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
5. Property, Plant and Equipment			
	Opening balance	13,555,928,520	14,058,343,412
	Add: Addition during the year	362,435,968	345,000,589
		13,918,364,488	14,403,344,001
	Less: Depreciation charged during the year	(774,137,907)	(847,415,481)
	Written down value	13,144,226,580	13,555,928,520
	Details have been presented in Annexure - A.1		
5a. Property, Plant and Equipment			
	Opening balance	4,821,883,191	4,665,410,653
	Add: Addition during the year	150,764,448	338,499,645
		4,972,647,639	5,003,910,298
	Less: Depreciation charged during the year	(163,126,406)	(182,027,107)
	Written down value	4,809,521,233	4,821,883,191
	Details have been presented in Annexure - A.2		
6. Construction work in progress			
	Opening balance	2,201,030,644	1,591,424,708
	Add: Addition during the year	635,401,325	609,605,935
	Closing balance	2,836,431,969	2,201,030,644

Payments were made in relation to the construction of the factory building of Orion Pharma Limited at Siddirgonj, Narayanganj, for installation of plant and machinery, their components and other fixed assets procured which are yet to be capitalized.

7. Investment in subsidiaries

Name of the Subsidiarie's company	No. of Shares	Share holding (%)		Amount in Tk.	
		30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Orion Power Meghnaghat Ltd.	95000000	95.00	95.00	950,000,000	950,000,000
Dutch Bangla Power & Associates Ltd.	6700000	67.00	67.00	67,000,000	67,000,000
Total				1,017,000,000	1,017,000,000

Investment in subsidiaries are stated at cost

8. Investment in associates

Orion Infusion Limited

Opening balance	256,054,000	319,403,000
Add: Share of profit during the year	7,176,600	6,777,900
Less: Dividend during the year	(6,202,000)	(6,202,000)
Add: Share of other comprehensive income	(1,205,443)	1,542,189
Add: Fair value adjustment	4,217,843	(65,467,089)
	260,041,000	256,054,000

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
9. Other investment			
	Investment in marketable securities (Note 9.1)	54,778,053	67,586,522
	Investment in non-Quoted Shares (Note 9.2)	2,118,455,676	2,118,455,676
		2,173,233,729	2,186,042,198
9.1 Investment on marketable securities			
	AB Investment Limited.	39,049,440	48,022,572
	Bank Asia Securities Limited.	5,908,030	8,155,950
	LankaBangla Securities Limited.	9,820,583	11,408,000
		54,778,053	67,586,522
	Details have been presented in Annexure - B		
9.2 Investment in non-quoted shares			
	Orion Power Khulna Limited.	500,000	500,000
	Orion Power Dhaka Limited.	500,000	500,000
	ICB Islami Bank Limited	246,000	246,000
	Orion Infrastructure Limited.	2,117,209,676	2,117,209,676
		2,118,455,676	2,118,455,676
10. Inventories			
	Raw materials	98,045,864	105,022,645
	Packing materials	52,195,944	46,479,146
	Work-in-process	15,292,499	7,016,287
	Finished goods	81,299,632	58,000,363
	Stationeries & promotional materials	11,814,687	10,683,911
	Goods in transit	96,978,671	139,267,851
	Mobil	22,105,528	24,837,356
	Spare parts	345,862,886	245,875,445
	Inventory HFO & LFO & OOSL	464,916,755	380,761,104
		1,188,512,467	1,017,944,110
10a Inventories			
	Raw materials	98,045,864	105,022,645
	Packing materials	52,195,944	46,479,146
	Work-in-process	15,292,499	7,016,287
	Finished goods	81,299,632	58,000,363
	Stationeries & promotional materials	11,814,687	10,683,911
	Goods in transit	13,276,562	47,259,089
		271,925,189	274,461,441
11. Trade & other receivables			
	Trade receivables	2,687,051,732	1,952,608,177
	Other receivables (Note-11.1)	7,060,824,698	5,893,028,979
		9,747,876,430	7,845,637,156

Trade receivables are unsecured, considered good and recoverable within one year. Classification schedules as required by schedule XI of Companies Act 1994 are as follows:

Ageing of the above balance is as follows:

Below 180 days	2,687,051,732	1,952,608,177
Above 180 days	-	-
	2,687,051,732	1,952,608,177

SL. No.	Particulars	Amount in Tk	
		30-Jun-18	30-Jun-17
I	Trade receivables considered good in respect of which the company is fully secured	2,687,051,732	1,952,608,177
II	Trade receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Trade receivables considered doubtful or bad	-	-
IV	Trade receivables due by any director or other officer of the company	-	-
V	Trade receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	2,687,051,732	1,952,608,177

As on 30 June 2018 the company did not make any provision on the trade receivable as was no indication of impairment.

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
11.1	Other receivables		
	Claim receivables, Insurance & others	5,465,926	6,897,812
	Divided receivable	6,202,000	6,202,000
	Interest on FDR	67,168	51,350
	Other Receivables	155,659,340	-
	Current account with other related companies (Note. 11.1.1)	6,893,430,264	5,879,877,817
		7,060,824,698	5,893,028,979

These are considered good and falling due within one year. No amount was due by the directors (including Managing Director), managing agent and other officers of the company.

11.1.1	Current account with other related companies		
	Noakhali Gold Foods Ltd.	21,300,000	21,000,000
	Orion Properties Ltd.	30,789,007	33,345,732
	Orion GAS Ltd.	46,400,000	74,500,000
	Orion Power Khulna Ltd.	1,028,367,023	1,025,452,649
	Orion Power Dhaka Ltd.	2,388,557,215	2,357,428,648
	Jafflong Tea Company Ltd.	2,408,371	2,538,415
	Orion Agro Products Ltd.	233,259,435	232,265,920
	Interior Accom Consortium Ltd.	155,495,459	155,495,459
	Digital Power & Associate Ltd.	332,865,525	191,546,343
	Orion Footware Ltd.	76,600,000	66,600,000
	Orion oil & Shipping Ltd.	179,033,065	196,203,389
	Panbo Bangla Mushroom Ltd.	98,339,506	83,824,685
	Orion Power Unit-2 Dhaka Ltd.	2,076,107,661	1,432,876,575
	Orion Home Appliance Ltd.	7,318,000	6,800,000
	Orion Knit Textiles Ltd.	19,000,000	-
	Orion Hospitals Ltd.	800,000	-
	Orion Power Rupsha Ltd.	129,850,890	-
	Orion Power Sonargaon Ltd.	66,939,107	-
		6,893,430,264	5,879,877,817
11a	Trade & other receivables		
	Trade receivables	141,906,580	139,842,095
	Other receivables (Note - 11a.1)	5,383,072,579	4,993,158,254
		5,524,979,159	5,133,000,349

Trade receivables are unsecured, considered good and recoverable within one year. Classification schedules as required by schedule XI of Companies Act 1994 are as follows:

Ageing of the above balance is as follows:

Below 180 days	141,906,580	139,842,095
Above 180 days	-	-
	141,906,580	139,842,095

SL No	Particulars	Amount in Tk	
		30-Jun-18	30-Jun-17
I	Trade receivables considered good in respect of which the company is fully secured	141,906,580	139,842,095
II	Trade receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Trade receivables considered doubtful or bad	-	-
IV	Trade receivables due by any director or other officer of the company	-	-
V	Trade receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	141,906,580	139,842,095

As on 30 June 2018 the company did not make any provision on the trade receivable as was no indication of impairment.

11a.1	Other receivables		
	Claim receivables, Insurance & others	5,465,926	6,897,812
	Divided receivable	6,202,000	6,202,000
	Interest on FDR	67,168	51,350
	Other Receivables	155,659,340	-
	Current account with subsidiaries (11a.1.1)	436,462,969	454,371,831
	Current account with other related companies (11a.1.2)	4,779,215,176	4,525,635,261
		5,383,072,579	4,993,158,254
11a.1.1	Current account with subsidiaries		
	Dutch Bangla Power & Associates Ltd.	436,462,969	454,371,831
		436,462,969	454,371,831

These are considered good and falling due within one year. No amount was due by the directors (including Managing Director), managing agent and other officers of the company.

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
11a.1.2	Current account with other related companies		
	Orion Properties Ltd.	20,331,532	20,331,532
	Orion Power Khulna Ltd.	986,021,913	986,021,913
	Orion Power Dhaka Ltd.	2,176,293,707	2,176,293,707
	Orion Power Unit -2 Dhaka Ltd.	1,031,826,730	1,002,726,730
	Orion Agro Product Ltd.	232,265,920	232,265,920
	Interior Accom Consortium Ltd.	107,995,459	107,995,459
	Orion Power Rupsha Ltd.	116,800,000	-
	Digital Power & Associates Ltd.	107,679,915	-
		4,779,215,176	4,525,635,261
12.	Advances, deposits and prepayments		
	Advances:		
	Advance income tax (Note-12.1)	63,999,536	68,565,879
	Advance imprest money	167,500	233,150
	Motor cycle & car advance	20,913,178	20,765,286
	Collection advance	10,544,992	4,552,917
	Advance to C&F agents	11,589,180	6,403,973
	Advance to Supplier	177,774,665	111,217,796
	Advance against land purchase	325,000,000	325,000,000
	Advance against material loan	1,084,948	899,442
	Advance Office rent	4,218,135	4,974,540
	Advance against cash purchase	2,255,610	2,433,411
	Other advance	72,047,400	96,531,496
		689,595,143	641,577,890
	Deposits:		
	Earnest money	1,311,770	265,000
	Security deposit	43,690,538	31,376,440
	Bank guarantee	58,226,046	76,322,285
	L/C margin	37,139,042	43,831,085
	VAT current account	1,539,975	695,400
	Lease deposit	15,070,962	17,944,218
		156,978,333	170,434,428
	Prepayments:		
	Insurance premium	502,534	1,237,532
	Security service	-	951,162
	Bank Guarantee, Commission & Charge	2,681,868	-
		3,184,402	2,188,694
		849,757,878	814,201,012
12.1	Advance income tax		
	Opening balance	68,565,879	206,626,751
	Add: Addition during the year	22,425,404	27,164,536
		90,991,283	233,791,287
	Less: Adjustment for previous years assessment	(26,991,747)	(165,225,408)
	Closing balance	63,999,536	68,565,879
12a	Advances, deposits & prepayments		
	Advances:		
	Advance income tax (Note -12a.1)	63,118,101	67,889,752
	Advance imprest money	167,500	233,150
	Motor cycle advance	19,585,560	18,917,055
	Advance - car loan	1,327,618	1,848,231
	Collection advance	10,544,992	4,552,917
	Advance to C&F agents	11,589,180	6,403,973
	Advance against material loan	1,084,948	899,442
	Advance office rent	4,218,135	4,974,540
	Advance against land purchase	325,000,000	325,000,000
	Machinery & equipment	66,579,629	85,540,489
	Electrical Equipment	2,312,501	82,000
	Construction	97,998,230	-
		603,526,394	516,341,549
	Deposits		
	Earnest money	1,311,770	265,000
	Security deposit	33,690,538	31,376,440
	Bank guarantee	3,306,231	2,132,913
	VAT current account	1,539,975	695,400
	Lease deposit	15,070,962	17,486,818
		54,919,476	51,956,571
		658,445,869	568,298,120

All advances, deposits and prepayments are considered regular and recoverable in the normal course of business.

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
12a.1	Advance income tax		
	Opening balance	67,889,752	206,123,413
	Addition during the year	22,220,096	26,991,747
	Less: Adjustment for previous years' assessment	(26,991,747)	(165,225,408)
	Closing balance	63,118,101	67,889,752
13.	Fixed deposit with banks		
	Social Islami Bank Limited., Principal Branch, Dhaka.	7,565,262	7,145,845
		7,565,262	7,145,845
	Details have been presented in Annexure -C		
14.	Cash & cash equivalents		
	Cash in hand (Note -14.1)	8,126,220	8,810,480
	Cash at B/O Account (Note -14.2)	103,707	96,982
	Balance with banks on account	498,820,481	269,895,508
	Current account	273,543,699	268,976,639
	Short term deposit account	225,276,782	918,869
		507,050,408	278,802,970
14.1	Cash in hand		
	Head office	4,050,887	2,587,613
	Depot office	4,075,334	6,222,867
		8,126,220	8,810,480
14.2	Cash at B/O Account		
	Bank Asia Securities Limited	95,477	16,633
	Jahan Securities Limited	3,774	4,224
	LankaBangla Securities Limited	4,456	76,125
		103,707	96,982
14a	Cash and cash equivalents		
	Cash in hand (Note -14a.1)	6,619,189	8,144,698
	Cash at B/O Account (Note -14a.2)	103,707	96,982
		6,722,896	8,241,680
	Cash at Bank:		
	Current account	225,276,782	62,103,786
	Short Term deposit account	100,655,333	918,869
	Details have been presented in Annexure D	325,932,115	63,022,655
		332,655,011	71,264,335
14a.1	Cash in hand		
	Head office - central cash & main cash	2,543,855	1,921,831
	Depot office - petty cash	4,075,334	6,222,867
		6,619,189	8,144,698
14a.2	Cash at B/O Account		
	Bank Asia Securities Limited	95,477	16,633
	Jahan Securities Limited	3,774	4,224
	LankaBangla Securities Limited	4,456	76,125
		103,707	96,982

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
15.	Share capital		
	Authorized capital		
	500,000,000 ordinary shares of Tk. 10 each	5,000,000,000	5,000,000,000
	Issued, subscribed and paid-up capital		
	234,000,000 ordinary shares of Tk. 10 each	2,340,000,000	2,340,000,000

Shareholding position of the company

Range of shareholding	Number of Shareholders	Number of Shares	Holding %	
			30-Jun-18	30-Jun-17
Up to 500 Shares	28,646	3,020,198	1.29	1.89
501 to 5,000 Shares	4,326	8,387,498	3.58	5.46
5001 to 10,000 Shares	790	5,570,098	2.38	3.76
10,001 to 20,000 Shares	391	5,370,664	2.30	3.64
20,001 to above	362	211,651,542	90.45	85.25
Total	34,515	234,000,000	100.00	100.00

Categories of shareholders	Number of Shareholders	Number of Shares	Holding %	
			30-Jun-18	30-Jun-17
Sponsors	5	74,841,600	31.98	31.98
Foreign Investor	174	9,371,430	4.00	4.04
Financial institutions	231	109,572,200	46.83	40.95
General public	34,105	40,214,770	17.19	23.02
Total	34,515	234,000,000	100.00	100.00

Orion Power Meghnaghat Limited.	Number of shares	30-Jun-18		30-Jun-17	
		Face value	% of total	Face value	% of total
Orion Pharma Limited	95,000,000	950,000,000	95.00%	950,000,000	95.00%
Integral Energy Limited	3,000,000	30,000,000	3.00%	30,000,000	3.00%
Jafflong Tea Company Limited	500,000	5,000,000	0.50%	5,000,000	0.50%
Mr. Mohammad Obaidul Karim	500,000	5,000,000	0.50%	5,000,000	0.50%
Mr. Salman Obaidul Karim	500,000	5,000,000	0.50%	5,000,000	0.50%
Mrs. Arzuda Karim	350,000	3,500,000	0.35%	3,500,000	0.35%
Mrs. Nudrat S Karim	100,000	1,000,000	0.10%	1,000,000	0.10%
Haarhuis Generation B.V.	50,000	500,000	0.05%	500,000	0.05%
Total	100,000,000	1,000,000,000	100%	1,000,000,000	100%

Dutch Bangla Power & Associates Limited	Number of shares	30-Jun-18		30-Jun-17	
		Face value in BDT	% of total holding	Face value in BDT	% of total holding
Orion Pharma Limited	6,700,000	67,000,000	67.00%	67,000,000	67.00%
Shenzhen Nanshan Power Co. Ltd.	50,000	500,000	0.50%	500,000	0.50%
Mohammad Obaidul Karim	100,000	1,000,000	1.00%	1,000,000	1.00%
Salman Obaidul Karim	3,087,500	30,875,000	30.88%	30,875,000	30.88%
Mrs. Nudrat S Karim	50,000	500,000	0.50%	500,000	0.50%
Jafflong Tea Co. Ltd.	2,500	25,000	0.03%	25,000	0.03%
Mrs. Arzuda Karim	10,000	100,000	0.10%	100,000	0.10%
Total	10,000,000	100,000,000	100%	100,000,000	100%

16. Reserves

Fair value gain on investment in associates (Note -16.1)	182,146,131	177,928,288
Fair value gain / loss on marketable securities (Note -16.2)	(11,243,821)	(4,169,879)
Share of other comprehensive income (Note - 16.3)	5,974,149	7,179,592
Revaluation surplus on property, plant and equipment (Note -16.4)	1,767,636,465	1,795,623,161
	1,944,512,923	1,976,561,162

16.1 Fair value gain on investment in associates

Opening balance	177,928,288	243,395,377
Fair value gain/ (loss) during the year	4,217,843	(65,467,089)
	182,146,131	177,928,288

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
16.2	Fair value gain/(loss) on marketable securities		
	Opening balance	(4,169,879)	8,782,250
	Adjustment of sale of Mkt. securities	11,220,278	(4,913,971)
	Fair Value gain/ (loss) on Marketable securities D/Y (Note - 16.2.1)	(19,080,214)	(9,477,284)
	Transferred to diferred tax assets/(liabilities)	785,993.59	1,439,126
		(11,243,821)	(4,169,879)
16.2.1	Fair value gain/(loss) on marketable securities during the year		
	Unrealized Gain/(Loss) position (Closing)	(12,493,134)	(4,633,198)
	Unrealized Gain/(Loss) position (Opening)	(4,633,198)	9,758,057
	Total change during the year	(7,859,936)	(14,391,255)
	Fair Value adjustment for sale of Securities (Realized Loss)	(11,220,278)	4,913,971
	Unrealized Gain/(Loss) during the year	(19,080,214)	(9,477,284)
16.3	Share of other Comprehensive income		
	Opening Balance	7,179,592	5,637,403
	Add: Addition during the year	(1,205,443)	1,542,189
		5,974,149	7,179,592
16.4	Revaluation surplus on property, plant & equipment		
	Opening balance	1,795,623,161	1,825,424,517
	Adjustment during the year to retained earnings for depreciation	(30,125,451)	(32,226,517)
	Adjustment of deferred tax on revaluation surplus	2,138,756	2,425,161
		1,767,636,465	1,795,623,161
16a	Reserve		
	Fair value gain on investment in associates (Note - 16a.1)	182,146,131	177,928,288
	Fair value gain/(loss) on marketable securities (Note - 16a.2)	(11,243,821)	(4,169,879)
	Share of other comprehensive income (Note - 16a.3)	5,974,149	7,179,592
	Revaluation surplus on property, plant & equipment (Note - 16a.4)	1,351,988,323	1,364,107,940
		1,528,864,782	1,545,045,941
16a.1	Fair value gain on investment in associates		
	Opening balance	177,928,288	243,395,377
	Fair value gain/ (loss) during the year	4,217,843	(65,467,089)
		182,146,131	177,928,288
16a.2	Fair value gain/(loss) on marketable securities		
	Opening balance	(4,169,879)	8,782,250
	Adjustment of sale of Mkt. securities	11,220,278	(4,913,971)
	Fair Value gain/ (loss) on Marketable securities D/Y (Note - 16a.2.1)	(19,080,214)	(9,477,284)
	Transferred to diferred tax assets/(liabilities)	785,994	1,439,126
		(11,243,821)	(4,169,879)
16a.2.1	Fair value gain/(loss) on marketable securities during the year		
	Unrealized Gain/(Loss) position (Closing)	(12,493,134)	(4,633,198)
	Unrealized Gain/(Loss) position (Opening)	(4,633,198)	9,758,057
	Fair Value adjustment for sale of Securities Realized Gain/(Loss)	(11,220,278)	4,913,971
	Unrealized Gain/(Loss) during the year	(19,080,214)	(9,477,284)
16a.3	Share of other Comprehensive income		
	Opening Balance	7,179,592	5,637,403
	Add: Addition during the year	(1,205,443)	1,542,189
		5,974,149	7,179,592
16a.4	Revaluation surplus on property, plant & equipment		
	Opening balance	1,364,107,940	1,377,850,518
	Adjustment during the year to retained earnings for depreciation	(14,258,373)	(16,167,739)
	Adjustment of deferred tax on revaluation surplus	2,138,756	2,425,161
		1,351,988,323	1,364,107,940

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
17 Retained Earnings			
	Opening Balance	4,269,065,599	3,937,687,989
	Prior year adjustment	2,851,455	(144,344,718)
	Restated opening balance	4,271,917,054	3,793,343,271
	Net Profit after tax	801,763,805	794,495,811
	Dividend for the year	(351,000,000)	(351,000,000)
	Adjustment for Depreciation on Revaluation Surplus	30,125,451	32,226,517
		4,752,806,311	4,269,065,599
17.a Retained Earnings			
	Opening Balance	864,910,905	1,199,115,795
	Adjustment for previous years tax assessment	2,851,455	(144,629,157)
	Net Profit after tax	181,921,865	145,256,528
	Dividend for the year	(351,000,000)	(351,000,000)
	Adjustment for Depreciation on Revaluation Surplus	14,258,373	16,167,739
		712,942,598	864,910,905
18. Non controlling interest			
	Opening balance	962,615,421	838,306,456
	Prior year adjustment	-	(284,433)
		962,615,421	838,022,023
	Share of operating profit	102,783,595	124,593,398
	Closing balance	1,065,399,016	962,615,421
19 Long term loans			
	Syndicated loan and other long term loans (Note 19.1)	5,043,874,801	4,411,802,572
	Working capital loan (Note 19.2)	11,888,714	16,486,877
		5,055,763,515	4,428,289,449
19.1 Syndicated loan and other long term loans			
	Agrani Bank Ltd. Principal. Br.	125,045,346	172,712,238
	Janata Bank Ltd	118,603,608	163,814,937
	Term Loan -Union Capital Ltd.	-	100,000,000
	Term Loan - AB Bank Ltd.	387,012,443	342,117,392
	PAD - AB Bank Ltd.	-	17,805,327
	Term Loan -Agrani Bank Ltd.	362,018,056	472,952,399
	Term Loan Premier Bank Ltd.	488,400,000	488,400,000
	Phoenix Finance & Investment Ltd.	194,106,249	284,247,042
	Mashreq bank PSC	855,370,000	1,716,120,000
	BD Finance Ltd.	-	124,603,026
	International leasing and financial services Ltd.	122,465,647	490,655,358
	Meridian finance & Investment Ltd.	18,615,854	38,374,853
	Agrani Bank Ltd. -BMRE	1,872,237,598	-
	Term Loan IPDC	500,000,000	-
		5,043,874,801	4,411,802,572
	Details have been presented in annexure- G		
19.2 Working capital loan			
	CC (H) ABL	11,888,714	16,486,877
		11,888,714	16,486,877
19.a Long term loan			
	BD Finance Ltd.	-	124,603,026
	International leasing and Financial Services Ltd.	122,465,647	490,655,358
	Meridian Finance & Investment Ltd.	18,615,854	38,374,853
	Phoenix Finance & Investment Ltd.	194,106,249	284,247,042
	Agrani Bank Ltd. -BMRE	1,872,237,598	-
		2,207,425,348	937,880,279

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
23	Trade and other payables		
	Goods suppliers & manufacturer	3,280,666,194	2,373,938,161
	Other payable	351,679,775	406,801,108
	Current account with inter companies (Note -23.1)	215,133,794	109,472,779
		3,847,479,764	2,890,212,047
23.1	Current account with inter companies		
	Interior Accom Consortium Ltd	31,157,000	31,157,000
	Orion Capital Ltd.	18,420,000	18,420,000
	Digital Power & Associates Ltd	86,409,773	59,895,779
	Orion Power Rupsha Ltd.	79,147,022	-
		215,133,794	109,472,779
	These are unsecured and payable within one year.		
23a	Trade and other payables		
	Goods suppliers & manufacturer	202,711,334	158,197,227
	Other payables	303,673,462	359,026,858
		506,384,796	517,224,085
24.	Accrued expenses		
	Salary and wages payable	74,831,439	68,817,411
	Director remuneration payable	10,125,000	2,250,000
	Depot expenses payable	1,559,377	1,766,173
	Telephone & mobile bill payable	1,159,014	1,289,467
	Payable for final settlement of employee	6,508,191	9,041,685
	Utilities payable	2,343,125	1,664,623
	Provision for income tax (Note 24.1)	167,416,123	318,562,703
	Corporeate governance audit fees	57,500	57,500
	Statutory Audit fees	1,207,500	1,150,000
	Interest on preference share	233,517,641	178,082,194
	Retention money	3,618,657	3,618,657
	Retirement benefit- P.F.	25,068,797	17,786,227
	Provision for gratuity	13,362,839	9,470,053
	Lease Finance- Phonix Finance	5,056,831	6,236,309
	Interest payable on Mashreq Dubai	3,565,313	-
	PAD-Agrani Bank Ltd . & AB Bank Ltd.	60,315,068	-
	Interest payable on syndicate loan	64,590,980	58,570,091
	Withholding VAT	15,964,491	16,032,989
	Withholding tax	10,781,306	8,782,854
		701,049,192	703,178,936
24.1	Provision for income tax		
	Opening balance	318,562,703	392,767,473
	Add: Addition during the year	51,363,437	38,151,481
		369,926,140	430,918,954
	Less: Payment/AIT adjustment during the year	(202,510,017)	(112,356,251)
		167,416,123	318,562,703
24a	Accrued expenses		
	Salary and wages payable	50,840,626	47,318,485
	Depot expenses payable	1,559,377	1,766,173
	Director remuneration payable	1,500,000	1,500,000
	Telephone & mobile bill payable	1,159,014	1,289,467
	Payable for final settlement of employee	6,508,191	9,041,685
	Utilities payable	2,343,125	1,664,623
	Provision for income tax (Note - 24a.1)	167,416,122	318,562,703
	Corporeate governance audit fees	57,500	57,500
	Statutory Audit fees	517,500	460,000
		231,901,455	381,660,636
	These are unsecured & is payable within one year.		
24a.1	Provision for income tax		
	Opening balance	318,562,703	392,767,473
	Add: Addition during the year	51,363,437	38,151,481
		369,926,139	430,918,954
	Less: Payment/AIT adjustment during the year	(202,510,017)	(112,356,251)
		167,416,122	318,562,703
	Closing balance	167,416,122	318,562,703

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
25	Revenue from net sales		
	Local sales	1,866,787,564	1,886,615,036
	Export sales	108,793,354	109,428,663
	Gain / (Loss) in exchange rate fluctuation	1,271,942	262,516
	Revenue from power generation (Note-25.1)	8,446,248,239	7,538,038,980
		10,423,101,099	9,534,345,195
25.1	Revenue from power generation		
	Fixed rental charge	2,495,553,633	2,478,723,936
	Variable energy payment	246,545,140	256,833,596
	Hyper furnace oil (HFO)-BPDB	-	4,989,467
	Hyper furnace oil (HFO)-OOSL	5,699,995,836	4,797,484,868
	Gain / (Loss) on Foreign Exchange transaction	4,153,630	7,113
		8,446,248,239	7,538,038,980
25a	Revenue from net sales		
	Local sales	1,866,787,564	1,886,615,036
	Export sales	108,793,354	109,428,663
	Gain / (Loss) on Foreign Exchange transaction	1,271,942	262,516
		1,976,852,860	1,996,306,215
26	Cost of goods sold		
	Raw materials consumed (Note - 26.1)	408,335,545	353,911,894
	Packing materials consumed (Note - 26.2)	202,166,048	175,884,340
	Work in process - opening	7,016,287	7,993,435
	Work in process - closing	(15,292,499)	(7,016,287)
	Total consumption	602,225,381	530,773,382
	Factory overhead (Note - 26.3)	305,694,328	299,084,054
	Cost of goods manufactured	907,919,709	829,857,436
	Add: Opening stock of finished goods	58,000,363	124,584,082
	Cost of goods available for sale	965,920,072	954,441,518
	Less: Closing stock of finished goods	(81,299,632)	(58,000,363)
	Less: Cost of physician sample	(11,183,824)	(11,286,652)
	Cost of goods sold	873,436,617	885,154,503
26.1	Raw materials consumed		
	Opening stock	105,022,645	81,447,058
	Add: Purchase during the year	401,358,764	377,487,481
	Goods Available for use	506,381,409	458,934,539
	Less: Closing stock	(98,045,864)	(105,022,645)
	Consumed during the year	408,335,545	353,911,894
26.2	Packing materials consumed		
	Opening stock	46,479,146	42,392,722
	Add: Purchase during the year	207,882,846	179,970,764
	Goods available for use	254,361,992	222,363,486
	Less: Closing stock	(52,195,944)	(46,479,146)
	Consumed during the year	202,166,048	175,884,340

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
26.3	Factory overhead		
	Salaries, wages & other allowances	113,095,327	97,959,871
	Travelling & conveyance	4,591,053	4,407,644
	Entertainment	1,903,262	2,040,094
	Worker's food expenses	16,958,981	19,811,099
	Uniform, liveries & others	191,400	197,965
	Godown rent	4,224,737	2,566,316
	Utilities	15,241,497	11,037,994
	Cleaning & washing	102,809	89,126
	Carrying inward	524,750	727,377
	Postage, telephone & others	375,801	418,124
	Fuel & lubricants	3,968,607	4,019,146
	Fees & taxes	1,195,196	232,842
	Books & periodicals	15,482	22,632
	Printing & stationery	4,907,421	5,617,441
	Insurance premium	1,222,934	1,331,121
	Repair & maintenance	8,465,329	8,828,120
	Depreciation	119,548,597	137,426,414
	Lease rent	557,688	557,688
	Research & development	741,112	635,420
	Spare parts	7,530,522	884,207
	Security services	331,823	273,413
		305,694,328	299,084,054
27.	Cost of power generation		
	Materials		
	Hyper furnace oil (HFO)	5,834,602,907	4,967,001,823
	Mobil	131,551,837	125,684,275
		5,966,154,744	5,092,686,098
	Plant overhead		
	O & M service	121,258,434	125,802,260
	Salaries & allowances	147,567,037	133,235,005
	Entertainment	1,986,967	1,781,600
	Plant office transport	3,549,202	3,002,434
	Plant office utilities	930,260	879,378
	Plant office communication	2,357,144	2,221,385
	Stationary, accessories & supplies	1,904,052	2,007,905
	Security service	-	12,858,177
	Repair & maintenance	226,647,775	174,236,091
	Insurance, taxes & duties	1,047,688	40,303
	Liquidity demarage	12,839,893	-
	Depreciation	611,011,501	665,388,371
	Miscellaneous expenses	33,808,216	15,605,801
	Test & others	592,971	195,950
	Foreign Exchange Gain/(Loss)	35,540,000	-
	Land Rent	6,270,006	-
		1,207,311,146	1,137,254,660
		7,173,465,890	6,229,940,758

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
28.	General and administrative expenses		
	Salaries, allowance & bonus	117,343,497	93,193,854
	Director's remuneration	30,070,000	30,070,000
	Fuel & lubricants	3,494,739	3,872,522
	Traveling & conveyance	6,209,037	7,705,452
	Entertainment	1,810,420	1,940,577
	Office rent	8,383,878	7,969,728
	Cleaning & washing	4,149,588	4,396,144
	Utilities	10,082,338	7,289,224
	Postages, telephone & fax	4,092,654	4,259,019
	Bank charges & commission	1,033,674	1,020,438
	Fees and taxes	11,409,026	7,327,127
	Fooding & other expenses	18,649,888	17,337,031
	Software consultancy & other fees	4,929,934	3,815,651
	Books & periodicals	106,668	86,200
	Printing & stationery	3,078,865	3,200,564
	Repairs & maintenance	4,380,527	4,855,958
	Depreciation	32,973,585	33,701,614
	Lease rent	5,100,216	7,680,012
	Statutory Audit fees	1,207,500	1,150,000
	Corporate governance audit fees	57,500	57,500
	Annual listing & other fees	1,711,130	-
	Overseas travel & training expenses	5,783,509	7,662,002
	Insurance premium	1,787,937	1,334,484
	Miscellaneous expenses	174,850	9,643,778
	AGM expenses	1,444,670	812,995
	Security guard expenses	15,308,404	900,399
	Advertisement and publicity	15,885,465	6,564,493
	Corporate social responsibility (CSR)	9,191,343	6,200,000
		319,850,843	274,046,766
28a	General and administrative expenses		
	Salaries, allowances & bonus	117,343,497	93,193,854
	Directors' remuneration	18,070,000	18,070,000
	Fuel & lubricants	3,494,739	3,872,522
	Travelling & conveyance	2,687,578	2,637,138
	Entertainment	1,810,420	1,940,577
	Office rent	8,383,878	7,969,728
	Cleaning & washing	4,149,588	4,396,144
	Utilities	10,082,338	7,289,224
	Postage, telephone & others	4,092,654	4,259,019
	Bank charges & commission	1,033,674	1,020,438
	Fees & taxes	4,590,159	4,936,640
	Fooding expenses	7,008,020	7,511,059
	Software consultancy & others	3,239,934	2,787,421
	Books & periodicals	106,668	86,200
	Printing & stationery	3,078,865	3,200,564
	Repair & maintenance	4,380,527	4,855,958
	Depreciation	32,973,585	33,701,614
	Lease rent	5,100,216	7,680,012
	Statutory Audit fees	517,500	460,000
	Corporate governance audit fees	57,500	57,500
	Annual listing & other fees	1,711,130	-
	Overseas travel & training expenses	5,783,509	7,662,002
	Insurance premium	1,787,937	1,051,519
	Miscellaneous expenses	174,850	171,440
	AGM expenses	1,444,670	812,995
	Security services	809,597	900,399
	Advertisement & Publicity	420,797	367,545
	Corporate social responsibility (CSR)	1,642,496	-
		245,976,326	220,891,512

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
29. Selling and distribution expenses			
	Salaries, allowances & bonus	382,959,573	300,785,430
	Field force TA/DA	22,866,084	60,384,791
	Printing & stationery	8,084,498	8,619,645
	Postage, telephone & others	8,619,681	9,348,893
	Fooding expenses	1,989,071	2,085,402
	Product renewal & development	1,345,729	1,255,782
	Software consultancy & others	4,830,000	4,485,000
	Training & conference	6,408,708	6,436,042
	Office rent (Depot)	10,190,864	9,428,250
	Repair & maintenance	721,256	705,395
	Travelling & conveyance	1,109,765	1,074,145
	Bank charges & commission	2,244,010	1,638,753
	Carrying & distribution expenses	20,312,966	27,892,338
	Entertainment	928,421	995,168
	Promotional materials	15,235,850	18,098,076
	Sample expenses	11,183,824	11,286,652
	Export expenses	1,590,466	1,577,007
	Depreciation	10,604,224	10,899,079
	Lease rent	7,280,184	9,196,776
	Fuel & lubricants	2,046,147	2,136,936
	Fees & taxes	581,762	918,334
	Overseas traveling & training	642,672	1,093,712
	Security services	1,506,776	1,512,561
	Utilities	1,082,517	1,293,525
	Insurance premium	2,526,614	2,404,488
	Books & periodicals	119,098	95,820
	Advertisement & Publicity	2,063,822	2,127,343
		529,074,580	497,775,342
30. Finance cost			
	Cash Credit (H) - 48, Agrani Bank Ltd. (WASA Corpt. Branch, Dhaka)	40,617,464	41,739,435
	LTR Loan - Agrani Bank Ltd	18,809,855	14,746,877
	Interest on Loan- BD Finance	12,829,784	25,265,480
	Interest on Loan- Phoenix Finance	33,493,689	47,509,506
	Interest on loan- ILFSL	36,449,218	56,605,533
	Bank Charge ,commission & Fees	7,971,295	14,877,182
	Interest on redeemable Preference Share	120,435,447	75,000,000
	Meridian Finance & Investment Ltd.	4,631,462	5,445,960
	AL-Arafa Islami Bank Ltd.	89,402,889	16,119,667
	Interest Expense - Mashreq PSC	68,045,754	107,765,308
	Loan Processing fees	9,265,916	62,585,840
	Interest on Long Term Borrowing	269,858,126	220,760,900
		711,810,898	688,421,688
30a Financial Expenses			
	Cash credit (H) - 48, Agrani Bank Ltd.(WASA corpt. Branch, Dhaka)	40,617,464	41,739,435
	LTR loan - Agrani Bank Ltd.	18,809,855	14,746,877
	Interest on Loan- Phoenix Finance	32,787,929	47,388,450
	Interest on loan- ILFSL	36,449,218	56,605,533
	Interest on Loan- BD Finance	12,829,784	25,265,480
	Meridian Finance & Investment Ltd.	4,631,462	5,445,960
	AL-Arafa Islami Bank Ltd.	89,402,889	16,119,667
		235,528,600	207,311,402
31 Interest & Other Income			
	Interest on FDR	481,837	417,699
	Bank interest	157,865,822	358,673
	Dividend income	1,069,786	1,918,911
	Insurance claim received	310,520	475,990
	Sale of scrap & others	1,208,594	1,773,747
	Gain /(loss) on sale of marketable securities (Note 31.01)	(11,220,278)	4,913,971
		149,716,281	9,858,991
31.01 Income on Sale of Marketable Securities:			
	Gain /(loss) on sale of marketable securities	732,718	15,495,262
	Interest on portfolio credit and others	(11,952,996)	(10,581,291)
		(11,220,278)	4,913,971

Notes	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17

32 Income tax provision

Particulars	Taxable income	Amount in Taka	
		30 June 2018	30 June 2017
25% income tax on taxable profit	179,302,745	44,825,686	29,834,527
Half of 25% Income tax on export net profit	50,630,344	6,328,793	7,446,775
10% Income tax on gain/(loss) on sale of marketable securities	-	-	491,397
20% income tax on dividend received (Less exempted tk. 25,000)	1,069,786	208,957	378,782
Total	231,002,875	51,363,437	38,151,481

33. Earnings per share (EPS)

The computation is given below:

Basic EPS

Net profit after tax	801,763,805	794,495,811
Weighted average ordinary shares outstanding during the year	234,000,000	234,000,000
Earning per share	3.43	3.40

33a Earnings per share**Basic EPS :**

The computation is given below:

Net profit after tax	181,921,865	145,256,528
Weighted average ordinary shares outstanding during the year	234,000,000	234,000,000
Basic Earnings per share	0.78	0.62

During the reporting year the company did not issue any share. Hence there is no required to calculate weighted average ordinary share.

34.00 Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method:

Particulars	30 June 2018	30 June 2017
Net profit after tax	801,763,805	794,495,811
Income tax expenses	56,257,610	47,266,560
Workers profit participation fund	11,550,144	9,287,259
Interest & other income	(149,716,281)	(9,858,991)
Financial expenses	711,810,898	688,421,689
Increase/(Decrease) in Receivables	(734,443,554)	(609,074,712)
Depreciation	774,137,907	847,415,478
Increase/(Decrease) in Inventory	(170,568,356)	(336,868,946)
Increase/(Decrease) in Payable	917,423,118	865,232,362
Increase/(Decrease) in accrued expenses	(72,936,861)	61,526,219
Increase/(Decrease) in employee benefit	(5,297,136)	(5,611,078)
Increase/(Decrease) in Advance Deposit & Prepayments	(16,098,652)	(100,097,033)
Income taxes paid	(60,696,580)	(118,751,747)
Share of profit from associate	(7,176,600)	(6,777,900)
Foreign Exchange Gain/(Loss)	35,540,000	-
Non controlling interest	102,783,595	124,593,398
Net Cash Flows from Operating Activities	2,194,333,057	2,251,198,372
Net Operating cash flows per Share	9.38	9.62

34a Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method:

Particulars	30 June 2018	30 June 2017
Net profit after tax	181,921,865	145,256,528
Income tax expenses	56,257,610	47,266,560
Workers profit participation fund	11,550,144	9,287,259
Interest & other income	(149,716,281)	(9,858,991)
Financial expenses	235,528,600	207,311,402
Increase/(Decrease) in Receivables	(2,064,485)	(320,222,138)
Depreciation	163,126,406	182,027,107
Increase/(Decrease) in Inventory	2,536,253	25,488,642
Increase/(Decrease) in Payable	55,209,191	78,006,601
Increase/(Decrease) in accrued expenses	(159,794,678)	33,844,536
Increase/(Decrease) in employee benefit	(5,297,136)	(5,611,078)
Increase/(Decrease) in Advance Deposit & Prepayments	(70,689,534)	(41,243,370)
Income taxes paid	(60,696,580)	(118,751,747)
Share of profit from associate	(7,176,600)	(6,777,900)
Net Cash Flows from Operating Activities	250,694,774	226,023,411
Net Operating cash flows per Share	1.07	0.97

35. Segmental information

The Group's Operational Segments are pharmaceuticals, power, and investments. The Operational segments results are as follows:

Particulars	Pharmaceuticals	Power	Totals
Revenue from sales	1,976,852,860	8,446,248,239	10,423,101,099
Expenses	(1,648,487,523)	(7,247,340,407)	(8,895,827,930)
Segment result	328,365,338	1,198,907,832	1,527,273,170
Capital expenditure			
Additions to property, plant & equipment	150,764,448	211,671,520	362,435,968
Other segment information			
Interest & other income	149,716,281	-	149,716,281
Financial cost	235,528,600	476,282,298	711,810,898
Provision for income tax	(51,363,437)	-	(51,363,437)
Share of profit from associate	7,176,600	-	7,176,600
Depreciation expenses	163,126,406	611,011,501	774,137,907
Segment assets	16,438,335,451	14,276,360,273	30,714,695,724
Segment liabilities	5,293,099,015	7,301,986,435	12,595,085,450

36. Related party transactions

36.01

The Company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". The Company opines that terms of related party transactions do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30 June 2018 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2017	Addition	Adjustment	Closing Balance as on 30.06.2018
Orion Power Meghnaghat Ltd. (95,000,000 Ordinary Shares @ Tk 10 Each)	Subsidiary	Investment in Shares	950,000,000	-	-	950,000,000
Dutch Bangla Power & Associates Ltd. (6,700,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	67,000,000	-	-	67,000,000
Orion Infusion Limited (44,30,000 Ordinary Shares @ TK. 10 each)	Associate	Investment in Shares	44,300,000	-	-	44,300,000
Orion Power Khulna Limited (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Power Dhaka Limited (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Infrastructure Limited (200,000,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	2,117,209,676	-	-	2,117,209,676
Orion Infusion Limited.	Associate	Receivable / (Payable)	(72,341,618)	-	17,941,678	(54,399,940)
Dutch Bangla Power & Associate Ltd.	Subsidiary	Inter Company Current A/C	454,371,831	-	(17,908,862)	436,462,969
Orion Properties Ltd.	Common Director/ Shareholders	Inter Company Current A/C	20,331,532	-	-	20,331,532
Orion Power Khulna Limited	Trade Investment	Inter Company Current A/C	986,021,913	-	-	986,021,913
Orion Power Dhaka Ltd	Trade Investment	Inter Company Current A/C	2,176,293,707	-	-	2,176,293,707
Orion Agro Product Ltd.	Common Director/ Shareholders	Inter Company Current A/C	232,265,920	-	-	232,265,920
Interior Accom Consortium Ltd.	Common Director/ Shareholders	Inter Company Current A/C	107,995,459	-	-	107,995,459
Orion Power Unit -2 Dhaka Ltd.	Common Director/ Shareholders	Inter Company Current A/C	1,002,726,730	104,300,000	(75,200,000)	1,031,826,730
Orion Power Rupsha Ltd.	Inter Company	Inter Company Current A/C	-	315,000,000	(198,200,000)	116,800,000
Digital Power & Associats Ltd.	Inter Company	Inter Company Current A/C	-	110,000,000	(2,320,085)	107,679,915
Kohinoor Chemical Co. (BD) Ltd.	Inter Company	Receivable / (Payable)	(2,555,444)	(2,268)	-	(2,557,712)
Total:			8,084,619,706	529,297,732	(275,687,269)	8,338,230,169

36.02 Payments/ Perquisites to Kye Management Personnel

Payments and perquisites given to the Board of Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit, Vice Presidents during the year are disclosed below:

Particulars	Amount in Taka	
	30-Jun-18	30-Jun-17
Basic Salary	10,460,111	6,849,828
House rent	5,122,128	3,304,914
Medical Allowance	834,000	540,000
Conveyance	624,000	366,000
Other Allowance	1,892,100	1,262,100
Bonus	1,337,174	678,594
Profit Participation Fund	647,661	309,900
Contribution to provident fund (Employer)	699,822	444,978
Interest from provident fund	986,066	615,872
Leave Encashment	280,702	275,720
	22,883,764	14,647,906

During the year no board meeting attendance fee was paid to the directors.

37. Production capacity

Item	Unit	Production Capacity		Yearly Production		Capacity Utilization	
		2018	2017	2018	2017	2018	2017
Tablet & capsule	Million Pcs	694.26	903.90	480.57	407.53	69.22%	45.09%
Oral liquid, injection, powder for suspension, cream & ointment	Million Pcs	23.68	27.08	16.20	12.46	68.41%	46.01%

38. General**38.01 Capital expenditure commitment**

There was capital expenditure contracted but not incurred or provided as on 30 June 2018 and material capital expenditure authorized by the board.

38.02 Claims not acknowledged

There is no claim against the Company not acknowledged as debt as on 30 June 2018

38.03 Credit facilities not availed

There is no credit facilities available to the Company but not availed of as on 30 June 2018 under any contract, other than trade credit available in the ordinary course of business.

38.04 Director's responsibility statements

The Board of Directors take the responsibility for the preparation and presentation of these financial statements.

38.05 Commission, Brokerage or Discount Agents Sales:

No commission, brokerage or discount was incurred or paid by the Company against sales during the period from 1 July 2017 to 30 June 2018.

38.06 Employee details

i) During the period, there were 1,586 employees employed for the full year and 941 employees less than the full period at a remuneration of Taka 3,000 per month and above.

ii) At the end of the period, there were 2,527 employees in the Company.

38.07 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest Taka and, wherever considered necessary.

39.00 Events after the reporting period

39.01 The Board of Directors meeting held on 31/10/2018 had recommended 15 % cash dividend for the year ended 30 June 2018 for placement before the Shareholder's for approval at 53th AGM of the company. There is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

39.02 Tax assessment for previous year was completed by Income tax authority . It has been considered as an adjusting event after the reporting period as it has a material impact in the financial statements for the income year 2017-2018.

39.03 Except the facts above, there was no material event after the reporting date that is adjusting/ non adjusting event came to management attention which may be needful to be disclosed for the stakeholders.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report of same date annexed.

Dated: 31 October 2018
Place: Dhaka

Sd/-
Ahmad & Akhtar
Chartered Accountants

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Schedule of Property, Plant and Equipment
As at 30 June 2018

Particulars	Amount in Taka						
	Written down value as at 01.07.2017	Additions during the year	Sale /Disposal During the year	Total as on 30.06.2018	Rate of Dep.(%)	Depreciation charged during the year	Written down value as at 30.06.2018
Land & land development	2,708,677,834	9,121,500	-	2,717,799,334	-	-	2,717,799,334
Factory & office building	574,581,051	95,195,594	-	669,776,645	10%	86,727,778	583,048,867
Plant & machinery	8,054,049,608	216,642,247	-	8,270,691,856	15%	611,462,067	7,659,229,788
Furniture & fixtures	33,284,662	5,301,115	-	38,585,777	15%	6,200,559	32,385,218
Office equipment	47,490,206	29,681,975	-	77,172,181	15%	9,516,333	67,655,848
Vehicles	26,963,710	128,400	-	27,092,110	20%	5,679,781	21,412,329
Laboratory equipment	71,011,093	-	-	71,011,093	15%	10,651,664	60,359,429
Sub-total:	11,516,058,165	356,070,832	-	11,872,128,997		730,238,182	11,141,890,814
At Revaluation							
Land & land development	1,599,675,401	-	-	1,599,675,401		-	1,599,675,401
Factory & office building	110,202,767	-	-	110,202,767	10%	10,483,661	99,719,106
Plant & machinery	272,369,787	-	-	272,369,787	15%	21,488,861	250,880,926
Sub-total:	1,982,247,956	-	-	1,982,247,956		31,972,523	1,950,275,432
Leased Assets							
Vehicle	57,622,400	6,365,136	-	63,987,536	20%	11,927,202	52,060,334
Sub-total:	57,622,400	6,365,136	-	63,987,536		11,927,202	52,060,334
Total 2018	13,555,928,520	362,435,968	-	13,918,364,488	-	774,137,907	13,144,226,580
Total 2017	14,058,343,412	345,000,589	-	14,403,344,001	-	847,415,481	13,555,928,520

Annexure-A.1

ORION PHARMA LIMITED
Schedule of Property, Plant and Equipment
As at 30 June 2018

Annexure-A.2

SL. No.	Particulars	Written down value as at 01.07.2017	Addition during the year	Disposal / Sale	Balance as on 30.06.2018	Rate of Dep. (%)	Dep. Charged during the year	Written down value as at 30.06.2018
1	Land & Land Development	2,465,265,069	-	-	2,465,265,069	-	-	2,465,265,069
2	Factory & Office Building	66,782,563	95,195,594	-	161,978,147	10%	11,237,660	150,740,487
3	Plant & Machinery	637,958,758	15,091,092	-	653,049,850	15%	96,557,279	556,492,571
4	Furniture & Fixtures	31,785,417	5,301,115	-	37,086,532	15%	5,262,092	31,824,440
5	Office Equipment	45,824,632	28,683,110	-	74,507,742	15%	9,039,605	65,468,137
7	Vehicles	20,901,068	128,400	-	21,029,468	20%	4,192,531	16,836,937
8	Laboratory Equipment	71,011,092	-	-	71,011,092	15%	10,651,664	60,359,428
	A. Sub-Total	3,339,528,589	144,399,312	-	3,483,927,900		136,940,831	3,346,987,069

At Revaluation

1	Land & Land Development	1,298,728,729	-	-	1,298,728,729	-	-	1,298,728,729
2	Factory & Office Building	92,842,957	-	-	92,842,957	10%	9,284,295	83,558,662
3	Plant & Machinery	33,160,516	-	-	33,160,516	15%	4,974,077	28,186,439
	B. Sub-Total	1,424,732,202	-	-	1,424,732,202		14,258,373	1,410,473,829

Leased Assets

1	Vehicles	57,622,400	6,365,136	-	63,987,536	20%	11,927,202	52,060,334
	Sub-total:	57,622,400	6,365,136	-	63,987,536		11,927,202	52,060,334
	TOTAL (A+B+C)-2018	4,821,883,191	150,764,448	-	4,972,647,638	-	163,126,406	4,809,521,233
	TOTAL - 2017	4,665,410,653	338,499,645	-	5,003,910,298		182,027,107	4,821,883,191

Allocation of Depreciation charge for the year has been made in the accounts as follows:

SL. No.	Particulars	Factory O/H	Gen. & Adm. Exp	Selling & Dist. Exp	Total
1	Factory & Office Building	6,156,587	12,313,173	2,052,196	20,521,955
2	Plant & Machinery	101,531,356	-	-	101,531,356
3	Furniture & Fixtures	283,105	2,473,183	2,525,804	5,262,092
4	Office Equipment	903,961	5,333,367	2,802,278	9,039,605
5	Vehicles	41,925	3,312,099	838,506	4,192,531
6	Lease -Vehicle	-	9,541,762	2,385,440	11,927,202
7	Laboratory Equipment	10,651,664	-	-	10,651,664
	Total	119,548,597	32,973,585	10,604,224	163,126,406

ORION PHARMA LIMITED
Investment in Marketable Securities
For the year ended 30 June 2018

Annexure-B

Amount in Taka

Particulars	30-Jun-18		30-Jun-17
	Market Value	Cost Price	Cost Price
AB Investment Ltd.			
Apex foods Ltd.	-	-	27,186,499
AIL	10,914,000	11,906,693	-
Apex Footwear Ltd.	20,210,400	21,204,546	-
Bank Asia Ltd.	-	-	3,258,075
Central Pharmaceuticals Ltd.	3,879,040	7,192,418	6,816,919
Fortune Shoes Ltd.	-	-	2,056,061
Islami Bank Bangladesh Ltd.	4,046,000	5,950,612	-
Unique Hotel & Resorts Ltd.	-	-	12,269,102
Sub- total	39,049,440	46,254,268	51,586,656
Bank Asia Securities Ltd			
Agni Systems Ltd.	1,013,250	1,365,000	-
Central Pharmaceuticals Ltd.	-	-	1,013,988
Golden Harvest Agro Industries Ltd.	105,280	130,401	-
Islami Bank Bangladesh Ltd.	714,000	1,334,853	-
Summit Alliance Port Ltd.	1,092,000	2,074,000	2,851,514
Nahee Aluminum Composite Panel Ltd.	1,860,000	3,254,016	-
Premier Leasing & Finance Ltd.	1,123,500	1,892,100	-
Islami Bank Bangladesh Ltd	-	-	1,334,853
Unique Hotels & Resorts Ltd.	-	-	2,850,510
National Tubes Ltd.	-	-	1,345,962
Sub- total	5,908,030	10,050,370	9,396,827
LankaBangla Securities Ltd.			
Alif Industries Ltd.	3,060,000	3,249,267	-
Fortune Shoes Ltd.	299,000	301,903	-
Singer Bangladesh Ltd.	2,465,583	2,664,583	-
The ACME Laboratories Ltd.	3,996,000	4,750,796	-
City Bank Ltd.	-	-	3,669,340
Confidence Cement Ltd.	-	-	1,322,551
LankaBangla Finance Ltd	-	-	2,713,349
Singer Bangladesh Ltd.	-	-	2,859,655
Social Investment Bank Ltd.	-	-	671,342
Sub- total	9,820,583	10,966,550	11,236,237
Grand Total	54,778,053	67,271,187	72,219,720

Fair Value Adjustments

Cost Price	67,271,187
Market Price	54,778,053
Unrealized Gain / (Loss)	(12,493,134)

ORION PHARMA LIMITED
Fixed Deposit with Banks
As at 30 June 2018

Annexure-C

Amount in Taka

Sl. No.	Name of Bank	Instrument no.	Opening Balance 01.07.2017	Interest Income				Closing Balance 30.06.2018	
				Accrued during the year	Accrued Previous year	Realized during the year	Income during the year		Tax at source
1	SIBL -MTDR	0025311263757	1,529,096	6,860	4,200	105,570	108,230	10,557	1,624,109
2	SIBL -MTDR	0025311260179	2,366,255	19,226	13,318	157,204	163,112	15,720	2,507,739
3	SIBL -MTDR	0025311255512	3,250,494	41,083	33,832	203,245	210,496	20,325	3,433,414
Total			7,145,845	67,168	51,350	466,019	481,837	46,602	7,565,262

ORION PHARMA LIMITED
Balance with Banks on Account
As at 30 June 2018

Annexure - D

Amount in Taka

Sl. No.	Name of Bank	Name of Branch	Account Number	30-Jun-18	30-Jun-17
Current Account (Main)					
1	Pubali Bank Ltd.	Tejgaon Branch,Dhaka	1256	3,185	4,795
2	Sonali Bank Ltd.	Tejgaon Branch,Dhaka	275/4	47,201	47,201
3	Agrani Bank Ltd.	Wasa Branch, Dhaka	797310/775-7	742,877	104,514
4	Rupali Bank Ltd.	TCB Branch, Dhaka	708	21,547	22,697
5	National Bank Ltd.	Mohakhali Branch	34017	79,684	3,720,961
6	ICB Islami Bank Ltd.	Principal Office,Dhaka	6417	2,901,522	2,904,597
7	The City Bank Ltd.	Principal Branch, Dhaka	110558491	5,000	5,000
8	The City Bank Ltd.	Gulshan Branch,Dhaka	11001	5,980	6,670
9	Social Islami Bank Ltd.	Principal Branch, Dhaka	55830	209,292,124	49,977,033
10	Bank Al-Falah Ltd.	Motijheel Branch,Dhaka	2965	8,500	8,500
11	Agrani Bank Ltd.	Principal Branch,Dhaka	3884	562,670	564,320
12	Sonali Bank Ltd.	Farmgate Branch	33010919	83,643	327,299
13	AB Bank Ltd	Principal Branch	4005-784715-000	183,608	453,808
14	The Premier Bank Ltd	Gulshan Branch	448	95,620	96,770
15	Brac Bank Ltd	Gulshan Branch	250001	598,376	591,215
16	AL-Arafa Islami Bank Ltd.	Corporat Branch,Dhaka	50228	6,997	60,765
Sub Total (i)				214,638,534	58,896,145
Current Account (Collection)					
17	Agrani Bank Ltd.	Chittagong Branch,Ctg.	363	15,979	15,979
18	Agrani Bank Ltd.	Bogra Branch,Bogra	1233	11,659	11,659
19	Agrani Bank Ltd.	Khulna Branch,Khulna	6069	552,493	137,623
20	Agrani Bank Ltd.	Barisal Branch,Barisal	1804	318	318
21	Agrani Bank Ltd.	Sylhet Branch,Sylhet	1866/1314	7,303	7,303
22	Agrani Bank Ltd.	Narayangong Branch	6467	848,690	4,899
23	Agrani Bank Ltd.	Rangpur Branch,Rangpur	4405	68	68
24	Agrani Bank Ltd.	Monoharpur Br.Comilla	5304	70	70
25	Agrani Bank Ltd.	Faridpur Branch,Faridpur	4008	1,148,753	4,945
26	National Bank Ltd.	Bogra Branch,Bogra	1565	297,113	99,276
27	National Bank Ltd.	Barisal Branch,Barisal	0382	1,667,491	1,181,631
28	National Bank Ltd.	Subid Bazar Branch,Syl	7190	1,030,350	1,979
29	National Bank Ltd.	Mymensingh Branch	2957	348,377	596,267
30	National Bank Ltd.	Rangpur Branch,Rangpur	6653	202,169	15,956
31	National Bank Ltd.	Babu Bazar Branch,Dhaka	2378	19,016	19,016
32	Sonali Bank Ltd.	Rajshahi	1432	954,334	10,483
33	Agrani Bank Ltd.	Chowmohani Branch	9074	436,721	182,282
34	ICB Islami Bank Ltd.	Chittagong	2978	13,744	13,744
35	National Bank Ltd.	Gonestala Road, Dinajpur	3678	397,507	368,721
36	National Bank Ltd.	Tangail	2605	140,257	366,128
37	National Bank Ltd.	Moulavibazar	7153	549,359	9,640
38	Agrani Bank Ltd.	Kustia	8152	911,815	5,636
39	National Bank Ltd.	Cox's Bazar	13962	156,980	2,480
40	Agrani Bank Ltd.	BSCIC Comilla	6639	632,603	3,116
41	National Bank Ltd.	CDA, Chittagong	6171	291,448	148,422
42	National Bank Ltd.	Sikder Tower Br. Sylhet	9870	3,631	-
Sub Total (ii)				10,638,248	3,207,641
Sub Total (i+ii)				225,276,782	62,103,786
STD Account					
43	National Bank Ltd.	Mohakhali	2515	991,361	11,881
44	Bank Asia Ltd.	Mohakhali	38	59,219	480,506
45	Agrani Bank Ltd.	WASA Branch	99023	99,112,977	211,785
46	Social Islmi Bnk Ltd	Principal Branch	1464	172,049	2,447
47	AB Bank Ltd	Principal Branch	784715	127,467	128,250
48	Bank Asia Ltd.	Mohakhali	190	120,075	83,999
49	AB Bank Ltd	Principal Branch	760188	72,186	-
Sub Total (iii)				100,655,333	918,869
Total Balance in Current & STD Account (i+ii+iii)				325,932,115	63,022,655

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
 Redeemable Preference Share
 As at 30 June 2018

Annexure - E

Name of the company	Amount in Taka	
	30-Jun-18	30-Jun-17
Dutch Bangla Power & Associates Limited	500,000,000	500,000,000
	500,000,000	500,000,000

The redeemable preference shares bearing interest @ 15% per annum were issued by Agrani Bank. As per IAS 32: "Financial Instruments: Presentation" the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in the financial statements.

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Provision for Decommissioning of Assets
As at 30 June 2018

Annexure - F

Particulars	Amount in Taka	
	30-Jun-18	30-Jun-17
Plant & machinery	59,922,594	59,922,594
Building	83,482,969	83,482,969
	143,405,563	143,405,563
	143,405,563	143,405,563

Orion Power Megnaghat Ltd. has established its electricity generating plant on government land and assumed that after the contract period it may have to be removed from the land. The company has recognised a provision for decommission obligations associated the electricity generating facility. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and removed the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 30 June , 2018 was BDT 143,405,563.

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Term Loan As at 30 June 2018

Annexure - G

Sl. No.	Particulars	Amount in Taka	
		30-Jun-18	30-Jun-17
1.	Orion Power Meghnaghat Ltd.		
	Syndicated Loan (Term loan -Mashreq bank)	855,370,000	1,716,120,000
		855,370,000	1,716,120,000
2.	Dutch Bangla Power and Associates Ltd.		
	Syndicated Loan	1,981,079,453	1,757,802,293
	Working Capital Loan	11,888,714	16,486,877
		1,992,968,167	1,774,289,170
	Syndicated loan		
	Long term Borrowings		
	Agrani Bank Limited - Principal Branch	125,045,346	172,712,238
	Janata Bank Limited	118,603,608	163,814,937
	Term Loan - Agrani Bank Limited.	362,018,056	472,952,399
	PAD-AB bank Limited.	-	17,805,327
	Term loan -Union Capital	-	100,000,000
	Term Loan - AB Bank Limited.	387,012,443	342,117,392
	Term Loan -Premier Bank Limited.	488,400,000	488,400,000
	Term Loan IPDC	500,000,000	-
		1,981,079,453	1,757,802,293

The Syndicated loan bearing interest @ 15% per annum and repayable in 60 equated monthly installments starting from August 21, 2011.

The loans from banks are secured first ranking fixed charge over land, buildings and civil constructions, plant & machineries of the Company, a first ranking floating charge over the stocks, receivables, revenue/sale proceeds, proceeds of accounts, insurance proceeds in favour of the term loan lenders on pari passu and pro rata basis. The Company has also assigned benefits under all insurance policies on pari passu basis to the lenders.

The loans are also secured by personal guarantee of all directors of the Company and lien of initial paid up capital of the Promoters of the Company.

The sponsors have also given an undertaking to retain the majority share of the project during the tenor of the loan, to be in control of the management of the Company and to inject necessary equity fund to finance any cost overrun of the project and to maintain all the covenants unless otherwise mutually agreed between the lenders and the Company.

Working capital loan

Agrani Bank Limited - Principal Branch	11,888,714	16,486,877
	11,888,714	16,486,877

Working capital loan under syndication loan arrangement bearing interest @ 12.00% per annum are repayable in 43 equated monthly installments starting from November 08, 2012.



Subsidiary 1
Orion Power Meghnaghat Limited

Orion Power Meghnaghat Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Stakeholders,

Reference to the provisions of Section 184 of the Companies Act 1994, and IAS/ IFRS codes, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is a pleasure and privilege on the part of the Board of Directors to submit the Directors' Report to the Shareholders together with the audited financial statements containing Statement of Financial Position as at June 30, 2018, Statement of Comprehensive Income, Change of Equity and Cash Flows for the year ended June 30, 2018 at this Annual General Meeting.

OPERATIONS

The company, which was incorporated on June 30, 2010 as "IEL Consortium and Associates Ltd.", changed the name to "Orion Power Meghnaghat Limited" (OPML) on January 18, 2012. OPML has completed implementation of a 100 MW HFO Power based plant on quick rental basis in Meghnaghat, Dhaka and has been in commercial operation since May 08, 2011 for a period of five (5) years. The term to supply electricity was expired in 2016 and has been extended for next five (5) years by executing an amendment to the contract for supply of power on rental basis by and between Bangladesh Power Development Board and the company dated December 28, 2016. OPML has been in profitable operations all over the years till date. Orion Pharma Ltd. holds 95% of equity share of this company.



SHAREHOLDING STRUCTURE

The present shareholding pattern of the company is as follows:

Shareholders' Name	No. of Shares Held	% of Holding
Orion Pharma Limited	95,000,000	95.00
Integral Energy Limited	3,000,000	3.00
Jafflong Tea Company Limited	500,000	0.50
Mr. Mohammad Obaidul Karim	500,000	0.50
Mr. Salman Obaidul Karim	500,000	0.50
Mrs. Arzuda Karim	350,000	0.35
Mrs. Nudrat S Karim	100,000	0.10
Haarhuis Genertoren B.V.	50,000	0.05
	100,000,000	100.00



BOARD OF DIRECTORS

The following persons are the members of the Board of the company:

Name	Position
Mr. Mohammad Obaidul Karim	Chairman
Mr. Salman Obaidul Karim	Managing Director
Mrs. Arzuda Karim	Director
Mrs. Nudrat S Karim	Director
Mr. Md. Shafiqur Rahaman	Nominated Director

APPOINTMENT OF AUDITORS

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditor of the Company in the last Annual General Meeting, will retire in the ensuing AGM and have confirmed their eligibility and willingness to accept their office for the forthcoming financial year, if re-appointed.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledge the contribution made and support & co-operation given by the Officers, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, and the Government in particular and look forward to a bright future for all of us.

Sd/-

Mohammad Obaidul Karim

Chairman

FINANCIAL POSITION & PERFORMANCE

The summary of the comparative analysis of results of 2017-18 and 2016-17 is as follows:

Particulars	2017-18	% of Holding
Revenue	4,142,197,753	3,493,767,773
Net Profit Before Tax	484,581,541	467,040,667
Net Profit after Tax	484,581,541	467,040,667
Total assets	6,584,136,521	6,407,695,830
Shareholders' Equity	3,900,398,466	3,415,816,926
Earnings per Share	4.85	4.67
Net Asset Value per Share	39.00	34.16

Orion Power Meghnaghat Ltd.

Auditors' Report & Financial Statements

As at and for the year ended 30 June 2018



S. F. AHMED & CO.
Chartered Accountants

(Member Firm of HLB International)



Member Firm of HLB International

House 51 (2nd Floor)
Road 9, Block F,
Banani, Dhaka 1213,
Bangladesh

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Orion Power Meghnaghat Ltd.

We have audited the accompanying financial statements of Orion Power Meghnaghat Ltd., which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations in Bangladesh. The management also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Orion Power Meghnaghat Ltd. as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act, 1994 and other applicable laws and regulations in Bangladesh.

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 these books;
- c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the company's business.

Dated, Dhaka;
03 September 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Orion Power Meghnaghat Ltd.
Statement of Financial Position
As at 30 June 2018

	Notes	Amount in BDT	
		30 June 2018	30 June 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,753,240,410	4,026,217,969
		3,753,240,410	4,026,217,969
Current assets			
Inventories	5	504,291,142	354,970,939
Trade receivables	6	1,259,867,841	855,272,100
Advances, deposits and prepayments	7	49,638,489	115,585,316
Intercompany current accounts	8	843,992,753	853,859,620
Cash and cash equivalents	9	173,105,885	201,789,886
		2,830,896,111	2,381,477,861
TOTAL ASSETS		6,584,136,521	6,407,695,830
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,000,000,000	1,000,000,000
Revaluation surplus on property, plant and equipment		192,789,532	207,070,240
Retained earnings		2,707,608,934	2,208,746,686
		3,900,398,466	3,415,816,926
Non-current liabilities			
Long term borrowings	11	855,370,000	1,716,120,000
Provision for decommission of assets	12	143,405,563	143,405,563
		998,775,563	1,859,525,563
Current liabilities			
Trade payables	13	1,399,630,670	948,818,622
Accruals & other payables	14	285,331,822	183,534,719
		1,684,962,492	1,132,353,341
TOTAL EQUITY AND LIABILITIES		6,584,136,521	6,407,695,830

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Dated, Dhaka;
03 September 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Orion Power Meghnaghat Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Notes	Amount in BDT	
		01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Revenue	15	4,142,197,753	3,493,767,773
Total revenue		4,142,197,753	3,493,767,773
Consumption of mobil & HFO	16	2,889,450,756	2,259,879,477
Operation & maintenance expenses	17	166,683,716	120,305,605
Other expenses	18	203,970,591	124,518,300
Depreciation	4	315,685,393	345,337,604
Finance cost	19	81,825,756	176,686,120
Total expenses		3,657,616,212	3,026,727,106
Net Profit Before Income tax		484,581,541	467,040,667
Income Tax Expenses		-	-
Net Profit Before Income tax		484,581,541	467,040,667
Other comprehensive income		-	-
Total comprehensive income for the year		484,581,541	467,040,667
Basic Earning Per Share (EPS)	20	4.85	4.67

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Dated, Dhaka;
03 September 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

**Orion Power Meghnaghat Ltd.
Statement of Changes in Equity
For the year ended 30 June 2018**

	Amount in BDT			
	Share Capital	Revaluation Surplus on fixed assets	Retained Earnings	Total
Balance at 01 July 2016	1,000,000,000	221,350,948	1,727,425,311	2,948,776,259
Transfer of depreciation on revaluation surplus to retained earnings	-	(14,280,708)	14,280,708	-
Net profit after tax	-	-	467,040,667	467,040,667
Balance at 30 June 2017	1,000,000,000	207,070,240	2,208,746,686	3,415,816,926
Balance at 01 July 2017	1,000,000,000	207,070,240	2,208,746,686	3,415,816,926
Transfer of depreciation on revaluation surplus to retained earnings		(14,280,708)	14,280,708	-
Net profit after tax			484,581,541	484,581,541
Balance at 30 June 2018	1,000,000,000	192,789,532	2,707,608,934	3,900,398,466

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Orion Power Meghnaghat Ltd.
Statement of Cash Flows
For the year ended 30 June 2018

	Amount in BDT	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
A. Cash flows from operating activities		
Cash receipts from customers and others	3,737,602,012	3,441,861,580
Cash paid to suppliers, employees and other parties	(2,781,390,629)	(2,353,731,687)
Net cash provided by operating activities	956,211,383	1,088,129,894
B. Cash flows from investing activities		
Property, plant and equipment	(42,707,834)	(3,089,857)
Net cash used in investing activities	(42,707,834)	(3,089,857)
C. Cash flows from financing activities		
Proceed from/(Repayment of) long term borrowings	(896,290,000)	(945,080,000)
Repayment of short term borrowings	36,380,860	40,115,635
Payment against finance cost	(82,278,409)	(174,149,674)
Net cash used in financing activities	(942,187,549)	(1,079,114,039)
Net changes in cash and cash equivalents (A+B+C)	(28,684,002)	5,925,998
Cash and cash equivalents at 01 July 2017	201,789,886	195,863,889
Cash and cash equivalents at 30 June 2018	173,105,885	201,789,886

ORION POWER MEGHNAGHAT LTD.
Notes to the Financial Statements
As at and for the year ended 30 June 2018

1. Corporate information

Orion Power Meghnaghat Ltd. was incorporated on June 30, 2010 as "IEL Consortium and Associates Ltd." a public limited in Bangladesh and obtained the certificate of commencement of business on June 30, 2010. On January 18, 2012, the name of the company has been changed to Orion Power Meghnaghat Ltd. The registered office of the company is at 153-154, Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

1.1 Nature of business

The Company has set up a 100 MW HFO Power Plant on quick rental basis in Meghnaghat, Dhaka with machineries and equipments supplied by Wartsila Finland OY for generation and supply of electricity. The Company has signed the contract with Bangladesh Power Development Board (hereinafter referred as BPDB) acting as an off taker to supply power to them solely under the contract No. 09755 executed on June 30, 2010. According to the said Contract, the Government will purchase the power for a period of 5 years commencing from May 08, 2011. The contract has been extended for further five (5) years effective from May 09, 2016 vide memo no- 27.00.0000.071.14.035.2013.535 dated 01 December 2016.

2. Basis of preparation of financial statements

2.1. Reporting framework and compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws and regulations, and in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

2.2 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the company is historical cost except for land, buildings & civil constructions and plant and machinery which are stated at fair value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation.

2.3 Functional and presentation currency

The functional and presentation currency of the Company is Bangladeshi Taka (BDT). The Company earns its revenues in United State Dollars (US\$), however, all other incomes/expenses and transactions are in Bangladesh Taka (BDT) and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT and the receipts from operating activities are retained in BDT.

2.4 Going concern

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. The company prepares its financial statements on a going concern basis as the company has adequate resources to continue its operation for the foreseeable future and management does not intend to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

2.5 Accrual basis of accounting

The company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.6 Materiality and aggregation

The company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.7 Offsetting

The company does not offset assets and liabilities or income and expenses, unless required or permitted by a IFRS.

2.8 Statement of cash flows

The Statement of Cash Flows has been prepared under 'Direct Method' in accordance with the requirements of IAS 7: Statement of Cash Flows.

2.9 Reporting period

The financial period of the company covers one year from 01 July 2017 to 30 June 2018.

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the twelve months period from 01 July 2016 to 30 June 2017 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the period ended on 30 June 2017 have been rearranged wherever considered necessary to ensure comparability with the current period.

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are given prospective effect in the financial statements as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3. Significant accounting policies

The accounting policies set out below have been applied for the period presented in these financial statements.

3.1 Property, plant and equipment (PPE)**Recognition and measurement**

An item shall be recognized as property, plant and equipment if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment were initially stated at cost and subsequently buildings & civil constructions and plant & machineries were revalued and shown at fair value in 2011, since then the assets were depreciated from the revalued amount. All property, plant and equipment are presented, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent costs

When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the income statement as incurred.

Revaluation

Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. On each reporting date, management assesses the fair value of the assets to ensure that fair value of revalued assets does not differ materially from its carrying amount. At 31 December 2011, the company made revaluation of its Building & Civil Constructions and Plant and Machineries by Syful Shamsul Alam & Co., Chartered Accountants to reflect fair value thereof in terms of depreciated current cost.

Any revaluation surplus on property, plant and equipment is recorded in other comprehensive income and hence, credited to the revaluation surplus on property, plant and equipment in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

A transfer from the revaluation surplus on property, plant and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost on each reporting date. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the retained earnings.

Depreciation

Depreciation of an asset begins when it's get ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a straight line basis over the expected economic lives as follows:

<u>Group of PPE</u>	<u>Expected economic life</u>
Building & civil construction	20 years
Vehicles	5 years
Office equipments	5 years
Furniture & fixtures	6 to 7 years
Plant & machineries	2 to 20 years

Impairment

At each year end, the company assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income in accordance with the provision of International Accounting Standards (IAS)- 36 unless the asset is revalued in accordance with IAS 16; in this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation. No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the assets or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Retirements and disposals

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

3.2 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the company at the functional currency spot rates on the date on which the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3.3 Inventories

Inventories stated at lower of cost and net realizable value as per IAS-2: Inventories. Costs incurred in bringing each product to its present location and conditions are accounted for on a First in First out (FIFO) basis. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.4 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

Other payables are not interest bearing and are stated at their nominal value.

3.5 Provision for decommissioning costs

Orion Power Meghnaghat Ltd. has established its electricity generating plant in government land and assumed that after the contract period it may have to remove the plant from the land. The company has recognized a provision for decommission obligations associated the electricity generating facility. In determine the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The caring amount of the provision as at June 30, 2018 was BDT 143,405,563.

3.6 Revenue recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity payments are recognized according to the terms set out in the PPA. Energy payments are calculated based on electricity delivered to BPDB.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

3.7 Taxation

Current tax

As per sec. 52N of Income Tax Ordinance 1984, 6% tax is payable at the time of rental received as TDS. Bangladesh Power Development Board (BPDB) shall be responsible for payment of income taxes, VAT, duties, levies, all other charges imposed or incurred inside Bangladesh on any payment made by BPDB to Orion Power Meghnaghat Ltd. or the importation (on a re exportable basis) of any plant /equipment (excluding consumable) and /or spare parts before commercial operation date and /or replacement equipment and spare parts for operation throughout the contract period as per contract No.09756 article-17. As 6% TDS is directly paid by BPDB on the invoice amount. So tax amount is not recognized either income or expenses in the statement of profit or loss and other comprehensive income.

3.8 Borrowing cost

In compliance with the requirement of IAS-23 (borrowing cost), borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset and, therefore capitalized. Other borrowing costs are recognized in the statement of profit or loss and other comprehensive income as finance cost.

3.9 Finance cost

Finance costs comprise interest on long term borrowings, interest on redeemable preference shares and bank charges. All finance costs are recognized in the statement of profit or loss and other comprehensive income except to the extent that are capitalized as per IAS - 23.

3.10 Financial instrument

Financial assets

Financial Instrument within the scope of IAS 39: "Recognition and Measurement" the company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which company becomes a party to the contractual provisions of the transaction. All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, advance and deposits.

(a) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

(b) Trade receivables

Trade receivables consist of unpaid bill amounts receivable from Bangladesh Power Development Board (BPDB).

Financial liabilities

As per IAS 39 "Financial Instrument: Recognition and Measurement" the company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the transaction date at which company becomes a party to the contractual provisions of the liability. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

(a) Loans and borrowings

Principal amounts of the loans and borrowings are stated at their amortized cost. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Trade payables

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow of resources from the entity.

3.11 Segment reporting

No geographical and operational segment reporting is applicable for the company as required by IFRS 8 "Operating Segment", as the company operates in single operation in a single geographical area.

3.12 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (Note-20).

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential dilutive ordinary shares during the relevant periods.

3.13 Events after reporting date

There have not been any significant events since the reporting date to the date of issue of the financial statements, which could affect the figures stated in the financial statements.

3.14 Commitments and contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Capital commitments

The Company has no commitment of capital expenditure as at June 30, 2018.

Guarantees

The company has given a bank guarantee of BDT 20,501,000 (BDT 20,501,000; 2017) to BPDB.

4 Property, plant and equipment

Sl. No.	Group of PPE	Cost			Depreciation		Written Down Value as at 30.06.2018
		Balance as at 01.07.2017	Addition during the year	Balance as at 30.06.2018	Balance as at 01.07.2017	Charged during the year	
A. At historical Cost							
1	Building & civil construction	541,035,963		541,035,963	359,646,118	54,466,408	126,923,437
2	Plant & machineries	5,294,973,768	42,631,334	5,337,605,102	1,661,575,826	245,510,302	3,430,518,974
3	Vehicles	12,106,948		12,106,948	9,600,197	496,836	2,009,915
4	Office equipments	14,578,415	76,500	14,654,915	13,608,936	407,980	637,999
5	Furniture & fixtures	3,804,777		3,804,777	2,921,066	523,159	360,552
Sub Total		5,866,499,871	42,707,834	5,909,207,705	2,047,352,143	301,404,685	3,560,450,877
B. Revaluation							
1	Building & civil construction	16,547,715	-	16,547,715	4,550,628	827,388	11,169,699
2	Plant & machineries	269,066,416	-	269,066,416	73,993,262	13,453,320	181,619,834
Sub Total		285,614,131	-	285,614,131	78,543,890	14,280,708	192,789,533
Total 30 June 2018 (A+B)		6,152,114,002	42,707,834	6,194,821,836	2,125,896,033	315,685,393	3,753,240,410
Total 30 June 2017		6,149,024,145	3,089,857	6,152,114,002	1,780,558,429	345,337,604	4,026,217,969

		Amount in BDT	
		30 June 2018	30 June 2017
5	Inventories		
	Mobil & Chemical	12,716,533	16,293,046
	Spare parts	195,175,744	158,329,681
	Inventory - HFO & LFO	233,806,375	165,752,076
	Goods in transit	62,592,491	14,596,136
		504,291,142	354,970,939
6	Trade receivables		
	Receivables from BPDB	1,259,867,841	855,272,100
		1,259,867,841	855,272,100
7	Advances, margin and prepayments		
	Advances (Note- 7.1)	14,766,496	40,777,773
	Margin (Note- 7.2)	33,495,506	74,050,405
	Prepayments (Note- 7.3)	1,376,487	757,137
		49,638,489	115,585,316
7.1	Advances		
	Advance Employee	1,371,784	1,589,209
	TDR - Phoneix Finance	135,500	135,500
	Advance to supplier	2,585,605	14,629,340
	Advance income tax	673,607	523,724
	Other Receivables	10,000,000	23,900,000
		14,766,496	40,777,773
7.2	Margin		
	Bank guarantee Margin - BPDB	20,501,000	20,501,000
	Bank guarantee Margin - Others	3,879,300	23,197,586
	L/C Margin account	9,115,206	30,351,820
		33,495,506	74,050,405
7.3	Prepayments		
	Bank guarantee commission	1340934	-
	Insurance premium	35,553	757,137
		1,376,487	757,137

	Amount in BDT	
	30 June 2018	30 June 2017
8 Intercompany current accounts		
Dutch Bangla Power and Associates Ltd.	332,705,771	405,733,434
Panboo Bangla Mushroom Ltd.	45,678,861	33,824,685
Orion Gas Limited	9,900,000	20,000,000
Orion Footwear Ltd.	40,600,000	40,600,000
Orion Oil & Shipping Ltd.	60,360,897	82,871,487
Orion Power Unit 2 Dhaka Ltd.	283,115,092	226,827,769
Orion Power Dhaka Ltd.	51,862,471	40,488,045
Noakhali Gold Fish Limited	300,000	-
Orion Agro Product Ltd.	414,796	-
Orion Home Appliance Ltd.	518,000	-
Orion Power Rupsha Limited	13,050,890	-
Orion Power Sonargaon Limited	4,328,500	-
Orion Hospital Limited	600,000	-
Orion Properties Ltd.	557,475	3,514,200
	843,992,753	853,859,620
9 Cash and cash equivalents		
Cash in hand	1,128,054	145,413
Cash at bank (Note- 9.1)	171,977,830	201,644,472
	173,105,885	201,789,886
9.1 Cash at bank		
Agrani Bank Limited Principal Branch A/C-0200000121457	122,299	346,799
Bank Asia Ltd. A/C-02836000112	2,047,837	83,697
FSIBL A/C 1121110000572	1,691	2,633,214
Social Islami Bank Limited, A/C No. 13300058029	260,229	479,034
AB Bank Limited	271,925	181,160
Rupali Bank - 94251	-	3,284
Premier Bank, Motijheel - 10811100017352	310,331	318,481
IBBL A/C No- 20501360100448316	48,125	49,275
Agrani Bank FC 5354-9	168,840,936	197,475,270
Agrani Bank Limited, A/C No. 264033	74,458	74,260
	171,977,830	201,644,472

		Amount in BDT	
		30 June 2018	30 June 2017
10	Share capital		
	Authorised capital		
	400,000,000 Ordinary shares of BDT 10/- each	4,000,000,000	4,000,000,000
		4,000,000,000	4,000,000,000
	Issued, subscribed, called - up & paid up capital		
	100,000,000 Ordinary Shares of BDT 10/- each	1,000,000,000	1,000,000,000
		1,000,000,000	1,000,000,000
	The shareholding position of the company are as under:		
Shareholder	Number of share	30 June 2018	30 June 2017
		BDT	BDT
Orion Pharma Limited	95,000,000	950,000,000	950,000,000
Integral Energy Limited	3,000,000	30,000,000	30,000,000
Jafflong Tea Company Limited	500,000	5,000,000	5,000,000
Mr. Mohammad Obaidul Karim	500,000	5,000,000	5,000,000
Mr.Salman Obaidul Karim	500,000	5,000,000	5,000,000
Mrs. Arzuda Karim	350,000	3,500,000	3,500,000
Mrs.Nudrat S Karim	100,000	1,000,000	1,000,000
Haarhuis Genertoren B.V.	50,000	500,000	500,000
	100,000,000	1,000,000,000	1,000,000,000
11	Long term borrowings		
	Syndicated loan (Note-11.1)	855,370,000	1,716,120,000
		855,370,000	1,716,120,000
11.1	Syndicated loan		
	Term Loan - Mashreq Dubai	855,370,000	1,716,120,000
		855,370,000	1,716,120,000
12	Provision for decommission of assets		
	Plant & machinery	59,922,594	59,922,594
	Building	83,482,969	83,482,969
		143,405,563	143,405,563
13	Trade payables		
	Accounts payable - suppliers	1,399,630,670	948,818,622
		1,399,630,670	948,818,622

		Amount in BDT	
		30 June 2018	30 June 2017
14	Accruals & other payables		
	Salary and other allowance	9,567,109	9,482,681
	Directors remuneration	4,500,000	375,000
	Provident fund	14,007,172	9,730,290
	Lease Finance- Phoneix Finance	2,083,792	2,536,446
	Interest Payable - Mashreq Dubai	3,565,313	
	Retention money	2,089,606	2,089,606
	Withholding VAT	11,388,405	10,956,092
	Withholding tax	8,342,631	6,939,024
	Audit fees	345,000	345,000
	Provision for gratuity	7,319,340	4,999,926
	PAD- Agrani Bank Ltd & AB Bank Ltd	60,315,068	-
	Inter-company current account (Note- 14.1)	135,986,773	109,472,779
	Accounts payable - employee	-	286,261
	Other payable	25,821,613	26,321,613
		285,331,822	183,534,719
14.1	Inter-company current account		
	Interior Accom Consortium Limited	31,157,000	31,157,000
	Orion Capital Limited	18,420,000	18,420,000
	Digital Power and Associates Ltd.	86,409,773	59,895,779
		135,986,773	109,472,779
15	Revenue		
	Reference rental price	1,283,295,000	1,234,051,000
	Reference energy price (Variable - O&M)	121,172,869	115,004,133
	Sales Revenue - HFO OOSL	2,736,242,783	2,144,678,531
	Foreign exchange gain /(Loss)	1,487,101	34,109
		4,142,197,753	3,493,767,773
16	Consumption of mobil & HFO		
	Mobil & Auxiliary	60,800,440	52,858,032
	Hyper furnace oil (HFO) - OOSL	2,828,650,316	2,207,021,445
		2,889,450,756	2,259,879,477
17	Operation & maintenance expenses		
	O & M service	53,954,567	48,922,529
	Repair & maintenance	112,729,149	71,383,076
		166,683,716	120,305,605

	Amount in BDT	
	30 June 2018	30 June 2017
18 Other expenses		
Salaries & allowances	81,792,876	71,667,830
Director remuneration	6,000,000	6,000,000
Advertisement	8,135,260	3,131,032
Entertainment	1,986,967	1,781,600
Fooding expenses	4,376,748	3,562,463
Plant office transport	3,549,202	3,002,434
Plant office utilities	376,200	367,100
Plant office communication	1,589,009	1,425,922
Fees & taxes	4,174,787	872,453
Stationary, accessories & supplies	1,375,265	1,183,276
Security service	7,302,120	6,705,687
Tours & travel	651,888	2,330,522
Consultancy fees	1,062,500	317,500
Insurance, taxes & duties	1,047,688	40,303.00
Fuel test fees	345,200	195,950
Audit fee	345,000	345,000
CSR	3,765,548	-
Foreign exchange loss	35,540,000	-
Liquidity Demurrage	12,839,893	-
Land rent	6,270,006	5,983,428
Miscellaneous expenses	21,444,435	15,605,801
	203,970,591	124,518,300
19 Finance cost		
Interest Expense	68,045,754	107,765,308
Loan Processing fees	9,265,916	62,585,840
Interest Expenses- Lease Finance(Phoneix Finance)	313,332	121,056
Bank commission & VAT on Comm.	3,837,294	5,920,829
Bank charges	363,459	293,087
	81,825,756	176,686,120
20 Earning per share		
The computation is given below:		
Profit after tax	484,581,541	467,040,667
Number of ordinary shares outstanding during the period	100,000,000	100,000,000
Basic earning per share (EPS)	4.85	4.67

21 Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company has trade receivables, and cash and bank balances that arrive directly from its operations.

Financial instruments give rise to cash flow interest rate risk, foreign currency risk, other price risk, credit risk, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The company's senior management oversees the management of these risks. The senior management ensures that the financial risk-taking activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with policies and risk appetite.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As a policy, the company has decided to obtain all its borrowings at fixed interest rates. Hence there is no exposure to the risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's earnings and cash flows are significantly influenced by US dollars (USD) since USD is the currency in which the company's sales are denominated. The financial position and results of the company can be affected significantly by movements in the BDT / USD exchange rates. Presently, the company does not hedge any exposure on account of foreign currency risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

At present all output of the company is sold to a single customer and trade receivable as on the reporting dates represents amounts receivable from the said customer. The party is a government owned undertaking and the management does not foresee any risk relating to the credit quality of the customer.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the company's Board of Directors on regular basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The table below summarizes the maturity profile of the financial liabilities based on contractual undiscounted payments.

As at June 30, 2018:

	Long term borrowings	Provision for Decommission of Assets	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	1,399,630,670	285,331,822	1,684,962,492
Amount repayable within 2 to 5 years	855,370,000	143,405,563	-	-	998,775,563

22 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2018 are as follows:

Name of related party	Relationship	Nature of transaction	Opening balance as on 01.07.2017	Addition	Adjustment	Closing balance as on 30.06.2018
Orion Pharma Limited	Holding Company	Investment in Share Capital	(950,000,000)	-	-	(950,000,000)
Dutch Bangla Power & Associates Limited	Common director/ Share holding	Intercompany Current A/C	405,733,434	123,471,809	(196,499,471)	332,705,771
Panbo Bangla Mushroom Ltd.	Common director/ Share holding	Intercompany Current A/C	33,824,685	11,854,176	-	45,678,861
Interior Accom Consortium Limited	Common director/ Share holding	Intercompany Current A/C	(31,157,000)	-	-	(31,157,000)
Orion Gas Limited	Common director/ Share holding	Intercompany Current A/C	20,000,000	1,400,000	(11,500,000)	9,900,000
Digital Power & Associates Ltd	Common director/ Share holding	Intercompany Current A/C	(59,895,779)	7,623,710.00	(34,137,704)	(86,409,773)
Orion Power Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	40,488,045	11,518,142	(143,716)	51,862,471
Orion Properties Ltd.	Common director/ Share holding	Intercompany Current A/C	3,514,200	-	(2,956,725)	557,475
Orion Capital Ltd.	Common director/ Share holding	Intercompany Current A/C	(18,420,000)	-	-	(18,420,000)
Orion Footwear Ltd.	Common director/ Share holding	Intercompany Current A/C	40,600,000	-	-	40,600,000
Orion Oil & Shipping Ltd.	Common director/ Share holding	Intercompany Current A/C	82,871,487	72,103,253	(94,613,843)	60,360,897
Noakhali Gold Fish	Common director/ Share holding	Intercompany Current A/C	-	300,000	-	300,000
Orion Power Unit 2 Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	226,827,769	56,287,323	-	283,115,092
Orion Agro Product Ltd.	Common director/ Share holding	Intercompany Current A/C	-	414,796	-	414,796
Orion Home Appliance Ltd.	Common director/ Share holding	Intercompany Current A/C	-	518,000	-	518,000
Orion Power Rupsha Limited	Common director/ Share holding	Intercompany Current A/C	-	13,050,890	-	13,050,890
Orion Power Sonargaon Limited	Common director/ Share holding	Intercompany Current A/C	-	4,328,500	-	4,328,500
Orion Hospital Limited	Common director/ Share holding	Intercompany Current A/C	-	600,000	-	600,000

Transaction with Key Management Personnel:

Particulars	Value in BDT
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager expenses remourseed to managing Agent	6,000,000
Commission or Remuneration payable separately to a managing agent or his associate	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the period.	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-
Other allowances and commission including guarantee commission	-
Pensions etc.	-
(i) Pensions	-
(ii) Gratuities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-
Share Based payments	-

23 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2018 (% on licensed capacity)	Plant factor 2017 (% on licensed capacity)
100 MW	106.80 MW	Average 43% Max. 65%	Average 42.75% Max. 75%

24 Employee details

During the period, there were 147 employees employed for the full year and the end of the period, there were 147 employees in the company with remuneration of BDT 6,140 per month and above.

25 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

26 Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 03 September 2018

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary



Subsidiary 2

Dutch Bangla Power & Associates Limited

Dutch Bangla Power & Associates Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Stakeholders,

Reference to the provisions of Section 184 of the Companies Act 1994, and IAS/ IFRS codes, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is a pleasure and privilege on the part of the Board of Directors to submit the Directors' Report to the Shareholders together with the audited financial statements containing Statement of Financial Position as at June 30, 2018, Statement of Comprehensive Income, Change of Equity and Cash Flows for the year ended June 30, 2018 at this Annual General Meeting.

OPERATIONS

The company has set up a 100 MW HFO power plant on quick rental basis and commenced its sale of power to the Government of Bangladesh from July 21, 2011 for a period of five (5) years. The term to supply electricity was expired in 2016 and has been extended for next five (5) years by executing an amendment to the contract for supply of power on rental basis by and between Bangladesh Power Development Board and the company dated December 28, 2016. The plant has been in profitable operations all over the years till date. Orion Pharma Ltd. holds 67% of equity share of this company



SHAREHOLDING STRUCTURE

The present shareholding pattern of the company is as follows:

Shareholders' Name	No. of Shares Held	% of Holding
Orion Pharma Limited	6,700,000	67.00
Mr. Mohammad Obaidul Karim	100,000	1.00
Mr. Salman Obaidul Karim	3,087,500	30.88
Mrs. Nudrat S Karim	50,000	0.50
Shenzen Nanshan Power Co. Ltd.	50,000	0.50
Mrs. Arzuda Karim	10,000	0.10
Jafflong Tea Company Ltd.	2,500	0.03
	10,000,000	100.00



FINANCIAL POSITION & PERFORMANCE

The summary of the comparative analysis of results of 2017-18 and 2016-17 is as follows:

Particulars	2017-18	% of Holding
Revenue	4,304,050,486	4,044,271,207
Net Profit Before Tax	238,043,994	306,792,017
Net Profit after Tax	238,043,994	306,792,017
Total assets	8,024,929,523	7,096,015,766
Shareholders' Equity	2,637,512,403	2,399,468,409
Earnings per Share	23.80	30.68
Net Asset Value per Share	263.75	239.95

BOARD OF DIRECTORS

The following persons are the members of the Board of the company:

Name	Position
Mr. Mohammad Obaidul Karim	Chairman
Mr. Salman Obaidul Karim	Managing Director
Mrs. Arzuda Karim	Director
Mrs. Nudrat S Karim	Director
Mr. Md. Shafiqur Rahman	Nominated Director

APPOINTMENT OF AUDITORS

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditor of the Company in the last Annual General Meeting, will retire in the ensuring AGM and have confirmed their eligibility and willingness to accept their office for the forthcoming financial year, if re-appointed.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledge the contribution made and support & co-operation given by the Officers, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, and the Government in particular and look forward to a bright future for all of us.

Sd/-

Mohammad Obaidul Karim

Chairman

Dutch Bangla Power and Associates Ltd.

Auditors' Report & Financial Statements

As at and for the year ended 30 June 2018



S. F. AHMED & CO.
Chartered Accountants

(Member Firm of HLB International)



Member Firm of HLB International

House 51 (2nd Floor)
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Banani, Dhaka 1213,
Bangladesh

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Dutch Bangla Power and Associates Ltd.

We have audited the accompanying financial statements of Dutch Bangla Power and Associates Ltd., which comprise the statement of financial position as at 30 June 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and other applicable laws and regulations in Bangladesh. The management also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dutch Bangla Power and Associates Ltd. as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 1994 and other applicable laws and regulations in Bangladesh.

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 these books;
- c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the company's business.

Dated, Dhaka;
03 September 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Dutch Bangla Power and Associates Ltd.
Statement of Financial Position
As at 30 June 2018

	Notes	Amount in BDT	
		30 June 2018	30 June 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,581,464,938	4,707,827,359
		4,581,464,938	4,707,827,359
Current assets			
Inventories	5	412,296,135	388,511,729
Trade receivables	6	1,285,277,311	957,493,982
Advances, margin and prepayments	7	141,673,520	130,317,576
Inter company current A/C	8	1,602,928,106	906,116,370
Cash and cash equivalents	9	1,289,513	5,748,750
		3,443,464,585	2,388,188,407
TOTAL ASSETS		8,024,929,523	7,096,015,766
EQUITY AND LIABILITIES			
Equity			
Share capital	10	100,000,000	100,000,000
Revaluation surplus on property, plant and equipment		347,012,069	350,445,511
Retained earnings		2,190,500,334	1,949,022,898
		2,637,512,403	2,399,468,409
Non-current liabilities			
Long term borrowings	11	1,992,968,167	1,774,289,170
Preference share	12	500,000,000	500,000,000
		2,492,968,167	2,274,289,170
Current liabilities			
Trade creditors	13	1,678,324,190	1,266,922,311
Accruals & other payables	14	1,216,124,763	1,155,335,876
		2,894,448,953	2,422,258,187
TOTAL EQUITY AND LIABILITIES		8,024,929,523	7,096,015,766

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Dated, Dhaka;
03 September 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Dutch Bangla Power and Associates Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Notes	Amount in BDT	
		01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Revenue	15	4,304,050,486	4,044,271,207
Total revenue		4,304,050,486	4,044,271,207
Consumption of Mobil & HFO	16	3,076,703,988	2,832,806,621
Operation and maintenance expenses	17	181,222,493	173,749,317
Other expenses	18	118,297,360	106,448,318
Depreciation	4	295,326,108	320,050,767
Finance cost	19	394,456,543	304,424,166
Total expenses		4,066,006,492	3,737,479,190
Profit before tax		238,043,994	306,792,017
Income tax expenses		-	-
Profit after tax		238,043,994	306,792,017
Other comprehensive income		-	-
Total comprehensive income for the year		238,043,994	306,792,017
Basic Earning Per Share (EPS)	20	23.80	30.68

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date annexed.

Dated, Dhaka;
03 September 2018

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

Dutch Bangla Power and Associates Ltd.
Statement of Changes in Equity
For the year ended 30 June 2018

	Amount in BDT			Total
	Share Capital	Retained Earnings	Revaluation Surplus	
Balance at 01 July 2016	100,000,000	1,638,511,319	354,165,074	2,092,676,392
Transfer of depreciation on revaluation surplus to retained earnings	-	3,719,562	(3,719,562)	-
Net profit after tax	-	306,792,017	-	306,792,017
Balance at 30 June 2017	100,000,000	1,949,022,898	350,445,511	2,399,468,409
Balance at 01 July 2017	100,000,000	1,949,022,898	350,445,511	2,399,468,409
Transfer of depreciation on revaluation surplus to retained earnings	-	3,433,442	(3,433,442)	-
Net profit after tax	-	238,043,994	-	238,043,994
Balance at 30 June 2018	100,000,000	2,190,500,334	347,012,069	2,637,512,403

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Dutch Bangla Power and Associates Ltd.
Statement of Cash Flows
For the year ended 30 June 2018

	Amount in BDT	
	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
A. Cash flows from operating activities		
Cash receipts from customers and others	3,976,267,158	3,807,324,826
Cash paid to suppliers, employees and other parties	(2,988,840,259)	(2,870,279,758)
Net cash provided by operating activities	987,426,899	937,045,068
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(168,963,686)	(3,411,087)
Net cash used in investing activities	(168,963,686)	(3,411,087)
C. Cash flows from financing activities		
(Repayment of)/Proceeds from long term borrowings	218,678,996	235,256,499
Finance cost	(333,000,207)	(741,967,914)
(Repayment of)/Proceeds from short term borrowing	(708,601,238)	(427,472,797)
Net cash used in financing activities	(822,922,449)	(934,184,212)
Net changes in cash and cash equivalents (A+B+C)	(4,459,236)	(550,231)
Cash and cash equivalents at 01 July 2017	5,748,750	6,298,981
Cash and cash equivalents at 30 June 2018	1,289,513	5,748,750

**Dutch Bangla Power and Associates Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2018**

1. Corporate information

Dutch Bangla Power and Associates Ltd. was incorporated on 01 July 2010 as a public limited company in Bangladesh and obtained the certificate of commencement of business under the Companies Act 1994, on the same date. The registered office of the company is at Orion House, 153-154 Tejgaon, Dhaka.

1.1 Nature of business

The company has set up a 100 MW HFO Power Plant on quick rental basis in Siddirgoanj, Dhaka with machineries and equipments supplied by Wartsila Finland OY for generation and supply of electricity. The company has signed the contract with Bangladesh Power Development Board (hereinafter referred as BPDB) acting as an off taker to supply power to them solely under the contract No. 09756 executed on July 01, 2010. According to the said contract, the Government will purchase the power for a period of 5 years commencing from July 21, 2011. The contract has been extended for further five (5) years effective from July 22, 2016 vide memo no- 27.00.0000.071.14.122.2010.534 dated 01 December 2016.

2. Basis of preparation of financial statements

2.1. Reporting framework and compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws and regulations, and in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

2.2 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the company is historical cost except for land, buildings & civil constructions and plant and machinery which are stated at fair value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation.

2.3 Functional and presentation currency

The functional and presentation currency of the company is Bangladeshi Taka (BDT). The company earns its revenues in United State Dollars (US\$), however, all other incomes/expenses and transactions are in Bangladeshi Taka (BDT) and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT and the receipts from operating activities are retained in BDT.

2.4 Going concern

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. The company prepares its financial statements on a going concern basis as the company has adequate resources to continue its operation for the foreseeable future and management does not intend to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

2.5 Accrual basis of accounting

The company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.6 Materiality and aggregation

The company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.7 Offsetting

The company does not offset assets and liabilities or income and expenses, unless required or permitted by a IFRS.

2.8 Statement of cash flows

The Statement of Cash Flows has been prepared under 'Direct Method' in accordance with the requirements of IAS 7: Statement of Cash Flows.

2.9 Reporting period

The Financial period of the company covers one year period from 01 July 2017 to 30 June 2018.

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the twelve months period from 01 July 2016 to 30 June 2017 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the period ended on 30 June 2017 have been rearranged wherever considered necessary to ensure comparability with the current period.

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are given prospective effect in the financial statements as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3. Significant accounting policies

The accounting policies set out below have been applied for the period presented in these financial statements.

3.1 Property, plant and equipment (PPE)**Recognition and measurement**

An item shall be recognized as property, plant and equipment if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment were initially stated at cost and subsequently buildings & civil constructions and plant & machineries were revalued and shown at fair value in 2011, since then the assets were depreciated from the revalued amount.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/implementation of the PPE, if the recognition criteria are met.

Subsequent costs

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

Revaluation

Land, buildings & civil constructions and plant & machineries are measured at fair value. Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. On each reporting date, management assess the fair value of the assets to ensure that fair value of revalued assets does not differ materially from its carrying amount. At 31 December 2011, the Company made revaluation of its Land and Land developments, Buildings and Plant and Machinery by Syful Shamsul Alam & Co., Chartered Accountants to reflect fair value thereof in terms of Depreciated current cost.

Any revaluation surplus on property, plant and equipment is recorded in the statement of profit or loss and other comprehensive income and hence, credited to the revaluation surplus on property, plant and equipment in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognized in the statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

A transfer from the revaluation surplus on property, plant and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost on each reporting date. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the retained earnings.

Depreciation

Depreciation of an asset begins when it's get ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a straight line basis over the expected economic lives as follows:

<u>Group of PPE</u>	<u>Expected economic life</u>
Building & civil construction	20 years
Vehicles	5 years
Office equipments	5 years
Furniture & fixtures	6 to 7 years
Plant & machineries	2 to 20 years

Impairment

At each year end, the company assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income in accordance with the provision of International Accounting Standards BAS 36 unless the asset is revalued in accordance with BAS 16, in this case, the impairment is also recognized in the statement of profit or loss and other comprehensive income up to the amount of any previous revaluation. No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Retirements and disposals

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

3.2 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the company at the functional currency spot rates on the date on which the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3.3 Inventories

Inventories stated at lower of cost and net realizable value as per IAS-2: Inventories. Costs incurred in bringing each product to its present location and conditions are accounted for on a First in First out (FIFO) basis. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.4 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- the Company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- a reliable estimate can be made of the amount of the obligation.

Other payables are not interest bearing and are stated at their nominal value.

3.5 Revenue recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity payments are recognized according to the terms set out in the PPA. Energy payments are calculated based on electricity delivered to BPDB.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

3.6 Taxation**Current tax**

As per sec. 52N of Income Tax Ordinance 1984, 6% tax is payable at the time of rental received as TDS. Bangladesh Power Development Board (BPDB) shall be responsible for payment of income taxes, VAT, duties, levies, all other charges imposed or incurred inside Bangladesh on any payment made by BPDB to Dutch-Bangla Power and Associates Ltd. or the importation (on a re exportable basis) of any plant /equipment (excluding consumable) and /or spare parts before Commercial Operation Date and /or replacement equipment and spare parts for operation throughout the contract period as per contract No.09756 article-17. As 6% TDS is directly paid by BPDB on the invoice amount. So tax amount is not recognized either income or expenses in the statement of profit or loss and other comprehensive income.

3.7 Borrowing cost

In compliance with the requirement of IAS-23 (borrowing cost), borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset and, therefore capitalized. Other borrowing costs are recognized in the statement of profit or loss and other comprehensive income as finance cost.

3.8 Finance cost

Finance costs comprise interest on long term borrowings, dividend on preference shares and bank charges. All finance costs are recognized in the statement of profit or loss and other comprehensive income except to the extent that are capitalized as per IAS - 23.

3.9 Financial instrument**Financial assets**

Financial Instrument within the scope of IAS 39: "Recognition and Measurement" the company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which company becomes a party to the contractual provisions of the transaction. All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, advance and deposits.

(a) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

(b) Trade receivables

Trade receivables consist of unpaid bill amounts receivable from Bangladesh Power Development Board (BPDB).

Financial liabilities

As per IAS 39 "Financial Instrument: Recognition and Measurement" the company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the transaction date at which company becomes a party to the contractual provisions of the liability. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

(a) Loans and borrowings

Principal amounts of the loans and borrowings are stated at their amortized cost. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Trade payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow of resources from the entity.

(c) Redeemable preference share

The Company had issued redeemable preference shares in June 2011. As per IAS 32: Financial Instruments: Presentation, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability have been classified as liabilities in these financial statements.

3.10 Segment reporting

No geographical and operational segment reporting is applicable for the Company as required by IFRS 8 "Operating Segment", as the Company operates in single operation in a single geographical area.

3.11 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (Note-20).

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential dilutive ordinary shares during the relevant periods.

3.12 Events after reporting date

There have not been any significant events since the reporting date to the date of issue of the financial statements, which could affect the figures stated in the financial statements.

3.13 Commitments and contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Capital commitments

The Company has no commitment of capital expenditure as at June 30, 2018.

Guarantees

The Company has given a bank guarantee of BDT 20,501,000 (BDT 20,501,000; 2017) to BPDB.

4 Property, plant and equipment

Sl. No.	Group of PPE	COST				Depreciation			Amount in BDT Written Down Value as at 30.06.2018
		Balance as at 01.07.2017	Addition during the year	Balance as at 30.06.2018	Balance as at 01.07.2017	Charged during the year	Balance as at 30.06.2018		
A. At historical cost									
1	Land & Land Development	243,412,766	9,121,500	252,534,266	-	-	-	252,534,266	
2	Building & civil construction	440,050,552		440,050,552	113,641,898	21,023,710	134,665,608	305,384,944	
3	Plant & machineries	5,386,550,177	158,919,821	5,545,469,998	1,603,857,270	269,394,486	1,873,251,756	3,672,218,242	
4	Vehicles	6,179,557		6,179,557	2,623,666	990,414	3,614,080	2,565,477	
5	Office equipments	19,070,781	922,365	19,993,146	18,374,686	68,748	18,443,434	1,549,712	
6	Furniture & fixtures	2,768,718		2,768,718	2,153,183	415,308	2,568,491	200,227	
	Sub Total	6,098,032,551	168,963,686	6,266,996,237	1,740,650,703	291,892,666	2,032,543,369	4,234,452,868	
B. Revaluation									
1	Land	300,946,672	-	300,946,672	-	-	-	300,946,672	
2	Building & civil construction	7,439,607	-	7,439,607	2,076,884	371,978	2,448,862	4,990,745	
3	Plant & machineries	61,229,292	-	61,229,292	17,093,176	3,061,464	20,154,640	41,074,652	
	Sub Total	369,615,571	-	369,615,571	19,170,060	3,433,442	22,603,502	347,012,069	
	Total 30 June 2018 (A+B)	6,467,648,122	168,963,686	6,636,611,808	1,759,820,763	295,326,108	2,055,146,871	4,581,464,938	
	Total 30 June 2017	6,464,237,035	3,411,087	6,467,648,122	1,439,769,996	320,050,767	1,759,820,763	4,707,827,359	

	Amount in BDT	
	30 June 2018	30 June 2017
5 Inventories		
Mobil	9,388,995	8,544,310
Goods in transit	21,109,618	77,412,626
HFO inventory	231,110,380	215,009,028
Spare parts	150,687,142	87,545,764
	412,296,135	388,511,729
6 Trade receivables		
Receivables from BPDB	1,285,277,311	957,493,982
	1,285,277,311	957,493,982
7 Advances, margin and prepayments		
Advances (Note 7.1)	81,302,254	84,915,968
Margin (Note 7.2)	58,563,351	43,970,051
Prepayments (Note 7.3)	1,807,915	1,431,558
	141,673,520	130,317,576
7.1 Advances		
Advance Employee	883,826	844,202
Advance to supplier	8,298,700	10,965,967
Advance income tax	207,828	152,403
Security Deposit Loan	10,000,000	-
TDR - Phoenix Finance	321,900	321,900
Others Receivables	61,590,000	72,631,496
	81,302,254	84,915,968
7.2 Margin		
Bank guarantee Margin-PDB	20,501,000	20,501,000
Bank guarantee Margin-Others	10,038,515	9,989,786
L/C Margin	28,023,836	13,479,265
	58,563,351	43,970,051
7.3 Prepayments		
Insurance premium	466,981	480,395
Bank guaranty charge	1,340,934	-
Security service	-	951,162
	1,807,915	1,431,558

	Amount in BDT	
	30 June 2018	30 June 2017
8 Inter company current A/C		
Digital Power and Associates Ltd.	225,185,610	191,546,343
Orion Gas Ltd.	36,500,000	54,500,000
Orion Footwear Ltd.	36,000,000	26,000,000
Panbo Bangla Mushroom Ltd.	52,660,645	50,000,000
Orion Power Unit 2 Dhaka Ltd.	761,165,839	203,322,078
Noakhali Gold Food Ltd.	21,000,000	21,000,000
Interior Accom Consortium Limited	47,500,000	47,500,000
Orion Homes Appliance Ltd.	6,800,000	6,800,000
Jaflong Tea Company Ltd.	2,408,371	2,538,415
Orion Oil & Shipping Ltd.	118,672,168	113,331,902
Orion Power Dhaka Ltd	160,401,037	140,646,896
Orion Agro Products Ltd.	578,719	-
Orion Power Sonargaon Limited	62,610,607	-
Orion Knit Textiles Ltd.	19,000,000	-
Orion Hospital Limited	200,000	-
Orion Power Khulna Ltd	42,345,110	39,430,736
Orion Properties Limited	9,900,000	9,500,000
	1,602,928,106	906,116,370
9 Cash and cash equivalents		
Cash in hand	378,978	520,369
Cash at bank (Note-9.1)	910,535	5,228,381
	1,289,513	5,748,750
9.1 Cash at bank		
Agrani Bank Limited Pr. Branch-020000051380-(101506810)	292,566	200,851
Bank Asia Ltd.2836000111	5,172	99,523
AB Bank Ltd.- 4005-788422	344,859	535,087
SIBL - 9021330449659	69,318	70,468
UCB 0951101000009438	96,745	97,895
Premier Bank, Motijheel 10811100017351	9,129	3,528,900
Bank Asia Platan Branch 04933001013	92,747	93,897
Agrani Bank Limited, A/c No. 0200000264032 (Escrow A/C)	-	601,760
	910,535	5,228,381

		Amount in BDT	
		30 June 2018	30 June 2017
10	Share capital		
	Authorised capital		
	100,000,000 Ordinary shares of TK. 10/- each	1,000,000,000	1,000,000,000
		1,000,000,000	1,000,000,000
	Issued, subscribed, called - up & paid up capital		
	10,000,000 Ordinary Shares of Tk 10/- each	100,000,000	100,000,000
	The shareholding position of the company are as under:		
		31 June 2018	30 June 2017
		No. of Share	
	Name		
	Orion Pharma Limited	67,00,000	67,000,000
	Shenzhen Nanshan Power Company Ltd.	50,000	500,000
	Mohammad Obaidul Karim	100,000	1,000,000
	Salman Obaidul Karim	3,087,500	30,875,000
	Mrs. Nudrat S Karim	50,000	500,000
	Jaflong Tea Company Ltd.	2,500	25,000
	Mrs. Arzuda Karim	10,000	100,000
		10,000,000	100,000,000
		100,000,000	100,000,000
11	Long term borrowings		
	Agrani Bank Limited	125,045,346	172,712,238
	Janata Bank Limited	118,603,608	163,814,937
	Agrani Bank Limited - (Working Capital purpose)	11,888,714	16,486,877
	Term Loan - AB Bank Ltd.	387,012,443	342,117,392
	PAD - AB Bank Ltd.	-	17,805,327
	Term Loan - Union Capital Ltd.	-	100,000,000
	Term Loan - Agrani Bank Limited	362,018,056	472,952,399
	Term Loan - IPDC	500,000,000	-
	Term Loan - Premier Bank Limited	488,400,000	488,400,000
		1,992,968,167	1,774,289,170
12	Preference share		
	Agrani Bank Limited	500,000,000	500,000,000
		500,000,000	500,000,000
13	Trade creditors		
	Accounts payable - suppliers	1,678,324,190	1,266,922,311
		1,678,324,190	1,266,922,311

	Amount in BDT	
	30 June 2018	30 June 2017
14 Accruals & other payables		
Interest payable on syndicate loan	64,590,980	58,570,091
Salary & Others Allowances	14,423,704	12,016,245
Director remuneration	4,125,000	375,000
Interest payable on preference share	233,517,641	178,082,194
Retention money	1,529,051	1,529,051
Withholding VAT	4,576,086	5,076,897
Withholding tax	2,438,675	1,843,830
Other payable	22,184,700	21,166,376
Audit Fee	345,000	345,000
Lease Finance	2,973,039	3,699,863
Provision for gratuity	6,043,499	4,470,127
Provided fund	11,061,625	8,055,937
Inter company current A/C (14.1)	848,315,763	860,105,265
	1,216,124,763	1,155,335,876
14.1 Inter company current A/C		
Orion Pharma Ltd.	436,462,969	454,371,831
Orion Power Rupsha Limited	79,147,022	-
Orion Power Meghnaghat Ltd.	332,705,771	405,733,434
	848,315,763	860,105,265
15 Revenue		
Reference rental price	1,212,258,633	1,244,672,936
Reference energy price (Variable-O&M)	125,372,271	141,829,463
HFO received from BPDP	-	4,989,467
Sales Revenue HFO - OOSL	2,963,753,053	2,652,806,337
Foreign exchange gain/(loss)	2,666,529	(26,996)
	4,304,050,486	4,044,271,207
16 Consumption of mobil & HFO		
Mobil	70,751,397	72,826,243
HFO - OOSL	3,005,952,591	2,754,990,911
HFO - BPDB	-	4,989,467
	3,076,703,988	2,832,806,621

	Amount in BDT	
	30 June 2018	30 June 2017
17 Operation and maintenance expenses		
O & M service	67,303,867	70,896,303
Repair & maintenance	113,918,626	102,853,015
	181,222,493	173,749,317
18 Other expenses		
Salaries & allowances	65,774,161	61,567,175
Directors remuneration	6,000,000	6,000,000
CSR	3,783,299	6,200,000
Advertisement	7,329,408	3,065,916
Fooding and Entertainment	7,265,120	6,263,509
Office utilities	554,060	512,278
Office communication	768,135	795,463
Fees & taxes	2,644,080	1,518,034
Stationary, accessories & supplies	528,787	824,629
Security service	7,196,687	6,152,490
Travelling & conveyance	2,869,571	2,737,792
Insurance	247,771	282,965
Professional and consultancy fees	627,500	710,730
Audit fee	345,000	345,000
Miscellaneous Exp.	12,363,780	9,472,338
	118,297,360	106,448,319
19 Finance cost		
Interest on long term borrowings	269,858,126	220,760,900
Interest on redeemable preference share	120,435,447	75,000,000
Interest Expenses - Lease Finance	392,428	-
Bank charges, commission and fees	3,770,542	8,663,266
	394,456,543	304,424,167
20 Earning per share		
The computation is given below:		
Profit after tax	238,043,994	306,792,017
Weighted average number of ordinary shares		
outstanding during the period	10,000,000	10,000,000
Basic earning per share (EPS)	23.80	30.68

21 Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company has trade receivables, and cash and bank balances that arrive directly from its operations.

Financial instruments give rise to cash flow interest rate risk, foreign currency risk, other price risk, credit risk, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The company's senior management oversees the management of these risks. The senior management ensures that the financial risk-taking activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with policies and risk appetite.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As a policy, the Company has decided to obtain all its borrowings at fixed interest rates. Hence there is no exposure to the risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's earnings and cash flows are significantly influenced by US dollars (USD) since USD is the currency in which the company's sales are denominated. The financial position and results of the company can be affected significantly by movements in the BDT / USD exchange rates. Presently, the company does not hedge any exposure on account of foreign currency risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

At present all output of the company is sold to a single customer and trade receivable as on the reporting dates represents amounts receivable from the said customer. The party is a Government owned undertaking and the management does not foresee any risk relating to the credit quality of the customer.

The company evaluates the concentration of risk with respect to trade receivables as low irrespective of the fact that the company's trade receivables are related to a single customer. The above conclusion has been made since the entire receivable is from BPDB which is a Government of Bangladesh undertaking.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the company's Board of Directors on regular basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The table below summarizes the maturity profile of the financial liabilities based on contractual undiscounted payments.

As at June 30, 2018

	Long term borrowings	Redeemable preference share	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	1,678,324,190	1,216,124,763	2,894,448,953
Amount repayable within 2 to 5 years	1,992,968,167	500,000,000	-	-	2,492,968,167

Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2018 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2017	Addition	Adjustment	Closing Balance as on 30.06.2018
Orion Pharma Ltd.(Share Capital)	Holding Company	Investment in Share Capital	(67,000,000)	-	-	(67,000,000)
Orion Pharma Limited	Holding Company	Intercompany Current A/C	(454,371,831)	(6,748,784)	24,657,646	(436,462,969)
Orion Power Meghnaghat Ltd.	Common Director/ Share holding	Intercompany Current A/C	(405,733,434)	(123,471,809)	196,499,471	(332,705,771)
Pambo Bangla Mushroom Ltd.	Common Director/Share holding	Intercompany Current A/C	50,000,000	2,660,645	-	52,660,645
Digital Power & Associates Ltd.	Common Director/Share holding	Intercompany Current A/C	191,546,343	49,014,177	(15,374,910)	225,185,610
Orion Gas Ltd.	Common Director/Share holding	Intercompany Current A/C	54,500,000	-	(18,000,000)	36,500,000
Orion Power Dhaka Ltd	Common Director/Share holding	Intercompany Current A/C	140,646,896	19,754,141	-	160,401,037
Orion Power Khulna Ltd.	Common Director/Share holding	Intercompany Current A/C	39,430,736	2,914,374	-	42,345,110
Noakhali Gold Food Ltd.	Common Director/Share holding	Intercompany Current A/C	21,000,000	-	-	21,000,000
Orion Properties Ltd.	Common Director/Share holding	Intercompany Current A/C	9,500,000	1,000,000	(600,000)	9,900,000
Orion Oil & Shipping Ltd.	Common Director/Share holding	Intercompany Current A/C	113,331,902	211,050,887	(205,710,621)	118,672,168
Orion Footwear Ltd.	Common Director/Share holding	Intercompany Current A/C	26,000,000	10,000,000	-	36,000,000
Orion Power Unit Dhaka - 2	Common Director/Share holding	Intercompany Current A/C	203,322,078	568,282,276	(10,438,515)	761,165,839
Interior Accom Consortium Limited	Common Director/Share holding	Intercompany Current A/C	47,500,000	-	-	47,500,000
Orion Homes Appliance Ltd.	Common Director/Share holding	Intercompany Current A/C	6,800,000	-	-	6,800,000
Orion Power Rupsha	Common Director/Share holding	Intercompany Current A/C	-	(79,147,022)	-	(79,147,022)
Jafflong Tea Company Ltd.	Common Director/Share holding	Intercompany Current A/C	2,538,415	-	(130,044)	2,408,371
Orion Agro Products Ltd.	Common Director/Share holding	Intercompany Current A/C	-	578,719	-	578,719
Cargo Marrytime Ltd.	Common Director/Share holding	Intercompany Current A/C	-	-	-	-
Orion Power Sonargaon Limited	Common Director/Share holding	Intercompany Current A/C	-	62,610,607	-	62,610,607
Orion Knit Textiles Ltd.	Common Director/Share holding	Intercompany Current A/C	-	19,000,000	-	19,000,000
Orion Hospital Limited	Common Director/Share holding	Intercompany Current A/C	-	200,000	-	200,000

Transaction with Key Management Personnel:

Particulars	Value in BDT
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	6,000,000
Expenses reimbursed to Managing Agent	-
Commission or Remuneration payable separately to a managing agent or his associate	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the period.	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-
Other allowances and commission including guarantee commission	-
Pensions etc.	-
(i) Pensions	-
(ii) Gratuities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-
Share Based payments	-

23 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2018 (% on licensed capacity)	Plant factor 2017 (% on licensed capacity)
100 MW	106.80 MW	Average 46% Max. 63.00%	Average 53.80% Max. 76.00%

24 Employee details

During the period, there were 142 employees employed for the full year and the end of the year with remuneration of BDT 5,609 per month and above.

25 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

26 Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 03 September 2018

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

SAFA CRITERIA CHECKLIST (GENERAL)

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Thank you

We acknowledge the continued commitment and invincible enthusiasm received from our community, healthcare professionals and chemists which have allowed us to achieve this great accomplishment. We would also like to extend our wholehearted thanks and gratitude to the host Government, regulatory bodies, shareholders, valued customers, financial institutions and well-wishers for their co-operation and support in the development of the Company. We also like to express our appreciation to the Board of Directors for their guidance, co-operation and support to drive the Company in the right direction. We would also like to express heartfelt appreciation to all the workers and employees of the Company who rendered their devoted services for the welfare of the Company. Without your support OPL could not be such a success. We hope that the years ahead will see all of you supporting us with the same zeal and enthusiasm to achieve targets and transcend them as well and eventually raise our standards to a new level.



ORION PHARMA LIMITED

153-154, Tejgaon Industrial Area, Dhaka-1208.

PROXY FORM

I/We _____ of _____ being a member of Orion Pharma Limited hereby appoint Mr./Mrs. _____ of _____ as my proxy to attend and vote for me/us on my/our behalf at the 53rd Annual General Meeting of the Company to be held on Monday, the 10th December, 2018 at 11:00 a.m. at Officers' Club, 26, Baily Road, Ramna, Dhaka. and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018 signed by the said in presence of _____

(Signature of the Proxy)

Revenue
Stamp
Tk. 20.00/-

Signature of the Shareholder(s)

Register Folio/BO No. _____

Dated _____

Signature of Witness

Note:

A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

Authorised Signatory



ORION PHARMA LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my attendance at the 53rd Annual General Meeting of the Company to be held on Monday, the 10th December, 2018 at 11:00 a.m. at Officers' Club, 26 Baily Road, Ramna, Dhaka.

Name of Member(s) _____ Register Folio / BO No. _____

holding of _____ ordinary Shares of Orion Pharma Limited.

(Signature of the Proxy)

Signature of the Shareholder(s)

N.B.

1. Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
2. Please present this slip at the reception Desk.





ORION Pharma Ltd.



In Search of Excellence

ORION
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Dhaka, Bangladesh

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