

**AUDITORS' REPORT  
AND  
STATEMENT OF ACCOUNTS  
OF**

— ORION LABORATORIES LIMITED —  
DHAKA  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2008

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**এম, এ, মালেক সিদ্দিকী ওয়ালী এন্ড কোং**  
**M.A. MALEK SIDDIQUI WALI & CO.**  
CHARTERED ACCOUNTANTS

এম, এ, মালেক সিদ্দিকী ওয়ালী এন্ড কোং, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

M. A. Malek Siddiqui Wali & Co.  
CHARTERED ACCOUNTANTS  
Partners: Md. Waliullah, FCA  
Swadesh Ranjan Saha, FCA

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**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
ORION LABORATORIES LIMITED**

We have audited the accompanying balance sheet of the *Orion Laboratories Limited* as of December 31, 2008 and the related Profit and Loss Account for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

**Scope:**

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

**Opinion:**

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the company's affairs as of December 31, 2008 and of the results of its operation for the year then ended and comply with the applicable sections of the Companies Act 1994 and other applicable laws and regulations.

**We also report that.**


We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.

in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books.

the company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.

the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka  
Dated: June 03, 2009

  
(M.A. Malek Siddiqui Wali & Co.)  
Chartered Accountants

**ORION LABORATORIES LIMITED**

153-154 Tejgaon I/A, Dhaka-1208

**BALANCE SHEET**

AS AT DECEMBER 31, 2008

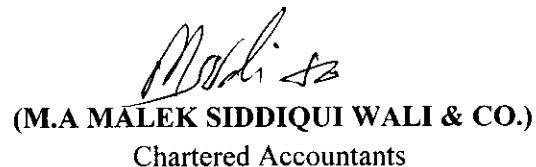
	Notes	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
<b><u>APPLICATION OF FUND</u></b>			
<b>A. Long Term Assets:</b>		<b>711,818,300</b>	<b>234,228,163</b>
Property, Plant & Equipments( As per Schedule )	3	637,272,300	159,928,163
Investment	4	74,546,000	74,300,000
<b>B.. Current Assets</b>		<b>387,750,567</b>	<b>306,665,531</b>
Inventories	5	154,940,816	86,460,096
Trade Receivable		96,165,878	74,090,170
Advances, Deposits & Prepayments	6	74,823,405	80,471,665
Cash and Cash Equivalents	7	16,751,350	17,206,210
Inter Company Current Account		45,069,118	48,437,390
<b>C. Current Liabilities</b>		<b>353,108,573</b>	<b>399,940,696</b>
Bank Loans & Credits	8	191,323,761	172,710,024
Creditors & Other Payables	9	127,561,895	202,224,269
Accrued Expenses	10	34,222,917	25,006,403
<b>D. Net Current Assets (B-C)</b>		<b>34,641,994</b>	<b>(93,275,165)</b>
<b>Total (A+D)</b>		<b>746,460,294</b>	<b>140,952,998</b>
<b><u>SOURCES OF FUND</u></b>			
<b>E. Shareholders' Equity ;</b>		<b>402,290,533</b>	<b>(228,560,380)</b>
Share Capital	11	48,000,000	48,000,000
Share Money Deposits		52,000,000	-
Revaluation Surplus		488,229,366	-
Loss Carried forward		(185,938,833)	(276,560,380)
<b>F. Long Term Loan</b>	12	<b>344,169,761</b>	<b>369,513,378</b>
<b>Total(E+F)</b>		<b>746,460,294</b>	<b>140,952,998</b>

This is the Balance Sheet referred to in our report of same date. The annexed Notes form part of these accounts.

  
Managing Director

  
Director

Place: Dhaka  
Dated: June 03, 2009

  
(M.A MALEK SIDDIQUI WALI & CO.)  
Chartered Accountants

**ORION LABORATORIES LIMITED**  
**PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

Particulars	Notes	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
<b>Revenue (Turnover) From Net Sales</b>			
Gross Revenue (Turnover)		923,970,120	807,773,322
Less: VAT		130,207,983	72,332,751
<b>Revenue (Turnover) from Net Sales</b>		<b>793,762,137</b>	<b>735,440,571</b>
Cost of Goods Sold	13	(387,658,732)	(424,680,746)
<b>Gross Profit</b>		<b>406,103,405</b>	<b>310,759,825</b>
<b>Operating Expenses :</b>		(269,496,150)	(246,550,385)
General & Administrative Expenses	14	(53,254,434)	(47,154,297)
Selling & Distribution Expenses	15	(216,241,716)	(199,396,088)
<b>Operating Profit</b>		<b>136,607,255</b>	<b>64,209,440</b>
<b>Financial Expenses</b>		(55,058,984)	(35,846,633)
Profit from Business		81,548,271	28,362,807
Miscellaneous Income		314,526	208,985
<b>Net Profit before Tax</b>		<b>81,862,797</b>	<b>28,571,792</b>
Prior Years' Adjustment (Intangible Addition)		8,758,750	-
Loss brought forward		(276,560,380)	(305,132,172)
<b>Loss carried forward</b>		<b>(185,938,833)</b>	<b>(276,560,380)</b>


This is the Profit & Loss Account referred to in our report of same date. The annexed notes form of part of these accounts.

  
Managing Director

  
Director

Place: Dhaka

Dated: June 03, 2009

  
(M.A MALEK SIDDIQUI WALI & CO.)  
Chartered Accountants

**SCHEDULE OF FIXED ASSETS  
PROPERTY, PLANT & EQUIPMENTS  
AS AT DECEMBER 31, 2008**

SL. No.	Particulars	Balance as on 01.01.2008	Addition during the year	Total as on 31.12.2008	Rate of Depreciation %	Charged During The Year	Historical Cost WDV as on 31.12.2008	Revaluation Surplus	Current Cost WDV as on 31.12.2008
1	Land & Land Development	16,871,397	-	16,871,397	-	-	16,871,397	280,128,603	297,000,000
2	Factory & Office Building	25,455,052	-	25,455,052	10%	2,545,505	22,909,547	153,287,892	176,197,439
3	Plant & Machinery	72,938,944	8,295,431	81,234,375	15%	10,940,842	70,293,533	54,812,871	125,106,404
4	Furniture & Fixture	5,975,437	314,339	6,289,776	15%	896,316	5,393,460	-	5,393,460
5	Office Equipments	10,515,152	1,747,446	12,262,598	15%	1,577,273	10,685,325	-	10,685,325
6	Vehicles	21,054,021	-	21,054,021	20%	4,210,804	16,843,217	-	16,843,217
7	Laboratory Equipments	6,682,261	-	6,682,261	15%	1,002,339	5,679,922	-	5,679,922
8	Medical Books & Journal	178,137	-	178,137	10%	17,814	160,323	-	160,323
9	Medical Bags	257,762	-	257,762	20%	51,552	206,210	-	206,210
	<b>Total</b>	<b>159,928,163</b>	<b>10,357,216</b>	<b>170,285,379</b>		<b>21,242,445</b>	<b>149,042,934</b>	<b>488,229,366</b>	<b>637,272,300</b>
	<b>2007</b>	<b>148,700,838</b>	<b>30,026,284</b>	<b>178,727,122</b>		<b>18,798,959</b>	<b>159,928,163</b>	<b>-</b>	<b>-</b>

Notes - 3

3.1 Depreciation has been charged during the year as under :

	Factory	General and Administrative	Selling & Distribution	Total
1.Land & Land Development	-	-	-	-
2.Factory & Office Building	2,545,505	-	-	2,545,505
3.Plant & Machinery	10,940,842	-	-	10,940,842
4.Furniture & Fixture	277,858	116,621	501,837	896,316
5.Office Equipments	567,818	520,501	488,954	1,577,273
6. Vehicles	42,108	3,747,616	421,080	4,210,804
7.Laboratory Equipments	1,002,339	-	-	1,002,339
8.Medical Books & Journal	-	-	17,814	17,814
9.Medical Bags	-	-	51,552	51,552
	<b>15,376,470</b>	<b>4,384,738</b>	<b>1,481,237</b>	<b>21,242,445</b>

3.2 S.F.Ahmed & Co. Chartered Accountants have revalued property, plant and equipment of the company as of 31 December 2008, following "Current Cost Method" showing Total Depreciated Current Cost at Tk.637,272,300, resulting in a Revaluation Surplus at Tk.488,229,366.

Notes	Particulars	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
4	<b><u>INVESTMENT (AT COST)</u></b>		
	7,43,000 Ordinary Shares @ TK. 100 each in Orion Infusion Limited (Market Price Tk.175,50 per share)	74,300,000	74,300,000
	246 Ordinary Shares @ TK. 1000 each in ICB Islamic Bank Limited (Market Price Tk.1,219.30 per share)	246,000	-
		<b>74,546,000</b>	<b>74,300,000</b>
5	<b><u>INVENTORIES</u></b>		
	Raw Materials	52,984,326	29,628,827
	Packing Materials	43,916,152	17,268,782
	Work-in-Process	6,978,247	2,216,097
	Finished Goods	44,544,359	34,371,362
	Stationery & Promotional Materials	6,517,732	2,975,028
	<b>Total:</b>	<b>154,940,816</b>	<b>86,460,096</b>
6	<b><u>ADVANCE, DEPOSIT &amp; PREPAYMENTS</u></b>		
	<b><u>Advances:</u></b>	<b>61,180,671</b>	<b>67,069,727</b>
	Advance Imprest Money	154,000	252,000
	Advance Motor Cycle	6,440,633	3,653,810
	Advance Income Tax	35,843,692	29,014,117
	Advance Deposits to Suppliers & C&F Agents	4,991,369	458,577
	Other Advances	13,750,977	33,691,223
	<b><u>Deposits :</u></b>	<b>13,642,734</b>	<b>13,401,938</b>
	Earnest Money	202,353	294,253
	L.C. Margin Deposit	9,648,586	8,971,088
	Security Deposit	3,151,366	2,491,420
	VAT Current Account	640,429	1,645,177
	<b>Total:</b>	<b>74,823,405</b>	<b>80,471,665</b>
7	<b><u>CASH AND CASH EQUIVALENT</u></b>		
	<b>Cash in Hand</b>	<b>3,335,373</b>	<b>2,025,936</b>
	<b>Balance with Banks on Account</b>	<b>13,415,977</b>	<b>15,180,274</b>
	Short Term Deposit	5,330,038	4,847,318
	Current Account	8,085,939	10,332,956
	<b>Total:</b>	<b>16,751,350</b>	<b>17,206,210</b>

Notes	Particulars	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
8	<b><u>BANK LOAN AND CREDITS</u></b>		
	LIM, Agrani Bank ( WASA Branch )	28,622,176	10,780,784
	Cash Credit ( H ) - 48, Agrani Bank ( WASA Branch )	124,117,870	123,725,247
	Cash Credit ( P ) - 527, Agrani Bank ( WASA Branch )	38,583,715	38,203,993
	<b>Total</b>	<b>191,323,761</b>	<b>172,710,024</b>
9	<b><u>CREDITORS &amp; OTHER PAYABLES</u></b>		
	Suppliers	56,134,682	65,461,346
	Tax deducted at source	3,825,499	1,161,326
	Other Payables	67,601,714	135,601,597
	<b>Total</b>	<b>127,561,895</b>	<b>202,224,269</b>
10	<b><u>ACCRUED EXPENSES</u></b>		
	Salaries, Wages, Remuneration & Expense Payable	32,262,565	23,619,325
	Utility Payable	1,940,352	1,367,078
	Audit Fee	20,000	20,000
	<b>Total:</b>	<b>34,222,917</b>	<b>25,006,403</b>
11	<b><u>SHARE CAPITAL</u></b>		
	<b><u>Authorized Capital</u></b>		
	500,000 Ordinary Shares of Tk. 100 each	50,000,000	50,000,000
	<b><u>Subscribed and Paid-up Capital</u></b>		
	480,000 Ordinary Shares of Tk. 100 each	48,000,000	48,000,000
12	<b><u>LONG TERM LOAN</u></b>		
	Interest Free Block Account, Agrani Bank (WASA Branch)	156,790,271	188,719,475
	Project Loan, Agrani Bank ( WASA Branch )	46,159,813	54,958,991
	Bai-Murabaha First Security Bank Ltd.(Dilkhusha Branch)	135,489,419	115,520,442
	Loan from SABINCO	5,730,258	10,314,470
	<b>Total</b>	<b>344,169,761</b>	<b>369,513,378</b>

Notes	Particulars	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
13	<b><u>COST OF GOODS SOLD</u></b>		
	Raw Materials consumed (Note-13.1)	260,282,144	288,381,456
	Packing Materials consumed ( Note-13.2 )	66,609,497	78,500,129
	Wages, Allowances & Bonus	31,928,147	23,729,206
	Contributory Provident Fund	980,039	885,904
	Electricity	657,106	800,487
	Gas	4,265,111	4,138,585
	WASA	994,298	1,189,455
	Factory Overhead Expenses ( Note-13.3 )	21,501,067	17,616,410
	Depreciation ( Notes - 3 .1 )	15,376,470	15,638,677
	<b>Manufacturing Costs for the year</b>	<b>402,593,879</b>	<b>430,880,309</b>
	Add: Opening Work-in-process	2,216,097	3,117,546
	<b>Manufacturing Costs</b>	<b>404,809,976</b>	<b>433,997,855</b>
	Less: Closing Work-in-Process	6,978,247	2,216,097
	<b>Cost of Goods Manufactured</b>	<b>397,831,729</b>	<b>431,781,758</b>
	Add: Opening Stock of Finished Goods	34,371,362	27,270,350
	<b>Cost of Goods Available for Sale</b>	<b>432,203,091</b>	<b>459,052,108</b>
	Less: Closing Stock of Finished Goods	44,544,359	34,371,362
	<b>Cost of Goods Sold</b>	<b>387,658,732</b>	<b>424,680,746</b>
13.1	<b><u>Raw Materials Consumed</u></b>		
	Opening Stock	29,628,827	32,263,033
	Add: Purchase during the year	283,637,643	285,747,250
	Goods available for use	313,266,470	318,010,283
	Less: Closing Stock	52,984,326	29,628,827
	<b>Consumed during the year</b>	<b>260,282,144</b>	<b>288,381,456</b>
13.2	<b><u>Packing Materials Consumed</u></b>		
	Opening Stock	17,268,782	10,818,477
	Add: Purchase during the year	93,256,867	84,950,434
	Goods available for use	110,525,649	95,768,911
	Less: Closing Stock	43,916,152	17,268,782
	<b>Consumed during the year</b>	<b>66,609,497</b>	<b>78,500,129</b>



Notes	Particulars	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
<b>13.3</b>	<b><u>Factory Overhead Expenses</u></b>		
	Repairs & Maintenance	4,972,239	4,393,008
	Fuel & Lubricants	1,404,657	644,310
	Printing & Stationery	2,040,909	1,801,068
	News Paper & Periodicals	12,862	134,760
	Washing & Cleaning	451,155	413,454
	Carriage Inward	243,196	202,038
	Workers Uniform	305,524	58,104
	Laboratory Expenses	296,749	646,789
	Medical Expenses	10,494	1,799
	Sample Test & Analysis	41,253	60,089
	Training Expenses	120,512	128,665
	Traveling & Conveyance	590,717	839,126
	Entertainment	62,668	122,048
	Worker's Food Expenses	7,701,764	5,859,471
	Postage and Telephone	310,447	121,927
	Miscellaneous Expenses	251,065	584,110
	Insurance Premium	822,736	774,180
	Fees & Taxes	114,350	514,960
	Spare Parts	1,471,970	316,504
	Godown Rent	275,800	-
	<b>Total:</b>	<b><u>21,501,067</u></b>	<b><u>17,616,410</u></b>

Notes	Particulars	Amount in Taka 31.12.2008	Amount in Taka 31.12.2007
<b>14</b>	<b><u>GENERAL &amp; ADMINISTRATIVE EXPENSES</u></b>		
	Salaries, Allowances & Bonus	23,581,572	18,445,253
	Contributory Provident Fund	938,322	841,191
	Director's Remuneration	7,800,000	8,800,000
	Printing & Stationery	1,942,010	1,762,110
	Rent, Rates & Taxes	12,399	13,552
	Postages, Telephone & Fax	2,234,065	1,942,415
	Renewal and Fees	193,353	326,957
	Bank Charges & Commission	1,025,120	780,179
	Fooding & Other Expenses	2,211,390	2,087,011
	Audit Fee	20,000	20,000
	News Papers & Periodicals	54,662	26,468
	Advertisement and Publicity	129,040	869,984
	Fuel & Lubricants	1,978,496	1,909,538
	Repairs & Maintenance	1,678,062	1,308,694
	Traveling & Conveyance	1,435,899	1,126,565
	Insurance Premium	321,119	1,613,608
	Software Consultancy & Other Fees	400,000	389,065
	Miscellaneous Expenses	938,628	528,462
	Depreciation ( Note-3.1 )	4,384,738	2,077,259
	Overseas Travel & Training Expenses	879,855	1,014,887
	Security Guard Expenses	1,095,704	1,271,099
	<b>Total:</b>	<b>53,254,434</b>	<b>47,154,297</b>
<b>15</b>	<b><u>SELLING AND DISTRIBUTION EXPENSES</u></b>		
	Salaries, Allowances & Bonus	119,671,380	103,539,927
	Contributory Provident Fund	4,750,707	4,842,822
	Field Force TA/DA	31,029,678	31,845,162
	Printing & Stationery	4,044,553	3,711,954
	Postage, Telephone & Fax	4,416,419	4,219,028
	Distribution Office Expenses	1,510,032	1,451,832
	Product Development Expenses	3,265,482	3,184,347
	Training & Conference	2,084,511	1,893,232
	Office Rent (Depot)	2,235,581	2,274,127
	Repairs & Maintenance	3,160,510	3,055,052
	Traveling & Conveyance	1,380,774	1,245,815
	Bank Charges & Commission	1,190,563	979,051
	Carrying & Distribution Expenses	16,491,177	15,680,681
	Promotional Materials	9,912,944	9,058,474
	Sales Discount to retailers	1,336,502	1,225,707
	Sample Expenses	4,112,160	3,945,278
	Miscellaneous Expenses	910,985	1,012,514
	Export Promotion Expenses	435,753	46,516
	Depreciation ( Note- 3.1 )	1,481,237	1,083,023
	Financial Expenses	1,107,267	1,350,252
	Fuel & Lubricants	1,127,449	907,580
	Overseas Traveling & Training	586,052	2,843,714
	<b>Total:</b>	<b>216,241,716</b>	<b>199,396,088</b>