

ORION PHARMA LIMITED

AUDITOR'S REPORT & FINANCIAL STATEMENTS For the year ended 31 December 2010

June 2011



S. F. AHMED & CO.

Chartered Accountants

(Representative of ERNST & YOUNG Global in Bangladesh)

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INDEPENDENT AUDITOR'S REPORT
To
The Shareholders of Orion Pharma Limited

We have audited the accompanying financial statements of Orion Pharma Limited, statement of financial position as at 31 December 2010, and the statement of 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), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 Pharma Limited as at December 31, 2010, and its financial performance, cash flows and changes in equity for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred were for the purposes of the company's business

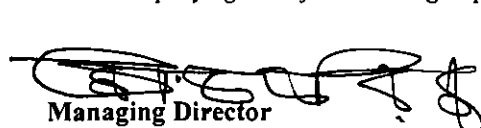
Dated: Dhaka;
21 June 2011

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

ORION PHARMA LIMITED
Statement of Financial Position
As at 31 December 2010

Particulars	Notes	Amount in Taka	
		31 Dec. 2010	31 Dec. 2009
APPLICATION OF FUND			
Non-Current Assets		6,226,230,821	750,478,061
Property, Plant and Equipment	5	871,461,547	606,332,061
Investments	6	5,354,769,274	144,146,000
Current Assets:		3,462,476,875	774,843,317
Inventories	7	204,606,158	161,341,878
Trade Receivables	8	91,002,717	68,230,304
Other Receivables	9	408,029,059	298,637,819
Advances, Deposits & Prepayments	10	430,411,759	199,347,253
Fixed Deposits with Banks	11	810,000,000	-
Cash and Cash Equivalents	12	1,518,427,182	47,286,063
Current Liabilities:		528,646,803	408,595,454
Bank Loans & Credits	13	99,904,940	171,913,675
Creditors & Other Payables	14	212,474,970	176,573,078
Accrued Expenses	15	216,266,893	60,108,701
Net Current Assets		2,933,830,072	366,247,863
Total		9,160,060,893	1,116,725,924
SOURCES OF FUND			
Shareholders' Equity		9,160,060,893	830,053,409
Share Capital	16	1,550,000,000	100,000,000
Share Premium		6,750,000,000	-
Share Money Deposit		-	200,000,000
Revaluation Surplus		488,229,366	464,678,646
Retained Earnings		371,831,527	65,374,763
Long Term Loan	17	-	286,672,515
Total		9,160,060,893	1,116,725,924
Number of Shares used to compute NAV		155,000,000	10,000,000
Net Asset Value (NAV) Per Share of Tk. 10		59.10	63.01

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.


Managing Director


Director


Director

Signed in terms of our separate report of even date annexed.


Dated, Dhaka;
21 June 2011

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

ORION PHARMA LIMITED
Statement of Comprehensive Income
For the year ended 31 December 2010

<u>Particulars</u>	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>31 Dec. 2010</u>	<u>31 Dec. 2009</u>
Revenue from Net Sales	18	1,412,002,352	967,263,054
Cost of Goods Sold	19	(615,509,422)	(458,332,252)
Gross Profit		796,492,930	508,930,802
Operating Expenses :		(439,471,262)	(358,118,743)
General & Administrative Expenses	20	(89,260,805)	(67,490,535)
Selling & Distribution Expenses	21	(350,210,457)	(290,628,208)
Operating Profit		357,021,668	150,812,059
Interest Income/(Expenses)	22	101,974,725	(43,395,963)
Profit from Business		458,996,393	107,416,096
Other Income	23	14,079,326	9,287,500
Capital Gain on Sale of Securities		1,931,765	164,610,000
Net Profit before Tax		475,007,484	281,313,596
Provision for Income Tax		(145,000,000)	(30,000,000)
Net Profit after Tax		330,007,484	251,313,596
Earning Per Share (EPS)	24	6.18	41.03

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.


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Director


Director

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21 June 2011

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ORION PHARMA LIMITED


Statement of Changes in Equity for the year ended 31 December 2010

Particulars	Amount in Taka					
	Ordinary Share Capital	Share Money Deposit	Share Premium	Retained Earnings	Revaluation Surplus	Total
For the year ended 31 December 2009:						
Balance at 1st January, 2009	48,000,000	52,000,000	-	(185,938,833)	488,229,366	402,290,533
Net Profit for the year			-	251,313,596	-	251,313,596
Sale proceeds from issue of shares	52,000,000	(52,000,000)	-	-	-	-
Share money deposit	-	200,000,000	-	-	-	200,000,000
Depreciation on revaluation surplus on Property, Plant and Equipment	-	-	-	-	(23,550,720)	(23,550,720)
Balance at 31st December, 2009	100,000,000	200,000,000	-	65,374,763	464,678,646	830,053,409

For the year ended 31 December 2010:

Balance at 1st January, 2010	100,000,000	200,000,000	-	65,374,763	464,678,646	830,053,409
Net Profit during the year				330,007,484	-	330,007,484
Sale proceeds from issue of shares	1,450,000,000	(200,000,000)	-	-	-	1,250,000,000
Share Premium Received	-	-	6,750,000,000	-	-	6,750,000,000
Revaluation surplus on Land and Land Development	-	-	-	-	-	-
Prior Years' Adjustment (Depreciation on revaluation surplus written back)	-	-	-	(23,550,720)	23,550,720	-
Balance at 31 December, 2010	1,550,000,000	-	6,750,000,000	371,831,527	488,229,366	9,160,060,893

The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.


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Dated, Dhaka:
21 June 2011

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ORION PHARMA LIMITED
Statement of Cash Flow
for the year ended 31 December 2010

Amount in Taka	
31 Dec. 2010	31 Dec. 2009

A. Cash Flows from Operating Activities :

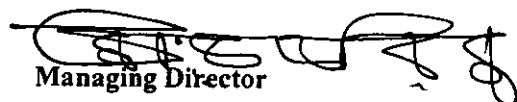
Cash received from Customers	1,389,229,939	995,198,628
Cash paid to Suppliers and Employees	(1,225,234,331)	(943,182,350)
Cash Generated from Operation	163,995,608	52,016,278
Other income	16,011,091	725,631
Income Tax - Deducted at Source	(24,901,562)	(7,847,731)
Net Cash Generated/(Used) from Operating Activities	155,105,137	44,894,178

B. Cash Flows from Investing Activities :

Acquisition of Property, Plant & Equipment	(304,659,494)	(12,135,189)
Fixed deposits made with banks	(810,000,000)	
Investments made	(5,210,623,274)	(99,600,000)
Net Cash Received/(Used) in Investing Activities	(6,325,282,768)	(111,735,189)

C. Cash Flows from Financing Activities :

Long Term Loan Received / (Repaid)	(286,672,515)	(57,497,246)
Short Term Loan Received / (Repaid)	(72,008,735)	(19,410,086)
Issue of shares at a premium	8,200,000,000	-
Share Money Deposit Received	(200,000,000)	200,000,000
Other Finance Received / (Repaid)	-	(25,716,944)
Net Cash Received/(Used) in Financing Activities	7,641,318,750	97,375,724
Net Increase /(Decrease) in Cash & Cash Equivalents (A+B+C)	1,471,141,119	30,534,713
Cash & Cash Equivalents at the beginning of the period	47,286,063	16,751,350
Cash & Cash Equivalents at the end of the period	1,518,427,182	47,286,063
Operating Cash Flow Per Share	1.00	4.49


Managing Director


Director


Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka:
21 June 2011

S. F. Ahmed & Co.
S. F. Ahmed & Co.
Chartered Accountants

ORION PHARMA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2010

1. Legal Status of the Company

Orion Pharma Limited is a private limited company incorporated in Bangladesh on June 21, 1965. The Company was converted into a public limited company on July 24, 2010. The registered office of the company is at 153-154, Tejgaon I/A, Dhaka-1208

2. Nature of Business Activities

The Company owns and operates a modern pharmaceuticals factory and produces and sells pharmaceuticals drugs and medicine.

3. Risk Exposure

3.1 Interest Rate Risk

Interest rate risk is 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 borrows at fixed rate of interest. Further it has paid off its long term loans. Thus, its interest rate risk is marginal.

3.2 Exchange Rate Risk

Exchange rate risk arises 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. When exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception:

The Company covers its exchange rate risks in its costs and prices.

3.3 Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margins, market share etc 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. Further there is untapped market abroad.

3.4 Market Risks

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 acts for avoiding.

3.5 Operational Risks

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 hedges such risks in costs and prices and also takes preventive measures therefor.

4. Basis of preparation and significant accounting policies

4.1 Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared on the Historical Cost basis, and therefore, do not take into consideration the effect of inflation except that arising from revaluation of lands, buildings & machinery as specified in Note 4.9. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

4.2 Statement on Compliance with Local Laws

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant local laws as applicable.

4.3 Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

4.4 Going Concern

As per BAS-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 in 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.

4.5 Accrual Basis

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

4.6 Structure, Content and Presentation of Financial Statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Statement of Financial Position as at December 31,2010
- ii) Statement of Comprehensive Income for the year ended December 31,2010
- iii) Statement of Changes in Equity as at December 31,2010
- iv) Statement of Cash Flows for the year ended December 31,2010
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2010.

4.7 Reporting Period

The financial period of the Company covers one year from 01 January 2010 to 31 December 2010.

4.8 Revenue

In compliance with requirements of BAS-18: "Revenue", revenue receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. Revenue is recognized net of Value Added Tax, supplementary duty and service charge collectible from clients as well as rebate and discount allowed to customers in compliance with the requirements of BAS 18: "Revenue".

4.9 Property, Plant and Equipment

Initial Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.

Subsequent costs

The cost of replacing part of an item of property, plant and equipments is recognised 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 recognised in the profit and loss account as 'Repair & Maintenance' when it is incurred.

Subsequent Measurement

Property, Plant and equipment are disclosed at written down value less depreciation consistently over years. On 31 December 2008 Land and Land Developments, Buildings and other Civil constructions and Plant and Machinery had been revalued to reflect fair value (prevailing market price) there of following "Current Cost Method".

Depreciation on Fixed Assets

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property Plant and Equipment. No depreciation is charged on addition during the period. Depreciation of an assets begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on **reducing balance method** at the following rates:

Particular of Assets	Rate of Depreciation
Factory & Office Building	10%
Plant & Machinery	15%
Furniture and Equipment	15%
Motor Vehicles	20%
Office Equipment	15%
Laboratory Equipment	15%
Medical Books & Journal	10%
Medical Bags	20%

The gain or losses on disposal or retirement of assets are included in profit or loss when the item is disposed off/ derecognized.

The fair value of the property plant and equipment on 31.12.2010 has been considered not materially different from the carrying amount.

Revaluation of fixed assets

The Company made revaluation of company's its Land and Land developments, Factory and Office Building and Plant and Machinery during 2008 to reflect fair value thereof in terms depreciated current cost thereof details of which are as follows:

Particulars of the assets	Name of the Value	Qualification of the Value	Date of Revaluation	The carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
1.Land and Land development	S.F.Ahmed & Co.(Statutory auditor at that year was M.A. Malek Siddiqui Wali & Co.)	Chartered Accountants	31 December 2008	16,871,397	297,000,000	280,128,603
2.Factory and Office Building				22,909,547	176,197,439	153,287,892
3.Plant and Machinery				70,293,533	125,106,404	54,812,871
				637,272,300	149,042,934	488,229,366

The increase in the carrying amount of revalued assets is recognized in the separate component of shareholders' equity under the head "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 balance sheet of the company.

4.11 Inventories

Inventories stated at lower of cost and net realizable value as prescribed by BAS-2: Inventories. The cost is calculated on weighted average method in a consistent manner. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions. Where necessary, provision is made for obsolete, slow moving and defective inventories (if any) identifies at the time if physical verification of inventories.

Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale effective.

4.12 Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and with banks on current and deposit accounts and 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.

4.13 Earnings Per Share (EPS)

Basic Earnings per share

Earnings per share (EPS) is calculated in accordance with Bangladesh Accounting Standard BAS-33 "Earnings per Share" by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings per Share

For the purpose of calculating diluted earnings per shares, an entity adjust profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. As the company has no dilutive potential ordinary shares, so diluted earnings per shares was not calculated.

4.14 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 BAS 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 profit or loss in the period in which they arise.

4.15 Employee's benefits

Confirmed employee's of the company are entitled to get provident fund where employers contribution is 10% which is recognized under income tax law.

4.18 Authorization date for issuing Financial Statements

The financial statements after completion of review were authorized by the Board of Directors on 21 June 2011 for issue.

4.19 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

4.20 Risk and Uncertainty for use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Accounting 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 BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

4.21 Provisions, Accrued Expenses and Other Payables

Provisions and accrued expenses are recognised in the financial statements in line with the Bangladesh Accounting Standard (BAS) 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

4.22 Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, fixed deposit with bank, borrowings and other payables and are shown at transaction cost

Initial recognition

An entity recognizes a 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

Financial assets and the gain or loss thereof from changes in the fair value after initial recognition is treated as follows:

Asset Category	Description	Measurement after initial recognition	Gains and losses
Financial Assets at fair value through profit or loss A/C: Investment in marketable securities.	Financial asset which is held for the purpose of selling in the short term held for trading or in limited circumstances, in designated under the heading.	Fair Value	In profit or loss
Loans and receivables: 1.Trade Receivable 2.Unquoted shares 3.Other Receivable	Non-derivative financial assets with fixed or determinable payments that are: * Not quoted in an active market * Not designated as at fair value through profit or loss * Not held for trading or designated as available for sale (i.e. loans and receivables are none of the above).	Amortized cost	In profit or loss
Held-to-maturity investments: 1. FDR	Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold the maturity and are not designated or classified under any of the other headings.	Amortized cost	In profit or loss

4.23 Segment Reporting

No segment reporting as required by BAS 14: "Segment reporting", is applicable for the company as it operates in a single industry segment.

4.24 Statement of Cash Flows

The Statement of Cash Flows has been prepared under 'Direct Method' in accordance with the requirements of BAS 7: Statement of Cash Flow.

4.25 Related Party Disclosures

The Company carried out a number of transactions with related parties. The information as required by BAS 24: "Related Party Disclosure" has been disclosed in a separate notes to the accounts. Note-25 refers.

4.26 Taxation

Income Tax is calculated and provision is made in accordance with BAS-12. The corporate tax rate for the Company is 37.5%. Provision has been made and calculated on the above basis, which is adequate under Income Tax Ordinance, 1984. Deferred tax is not considered because such tax may result into deferred tax asset arising from high accounting depreciation on revaluation of fixed assets.

4.27 Contingent Assets and Liabilities

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.

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 BAS:37. Contingent assets and contingent liabilities are not recognized in the financial statements.

A contingent assets is disclosed as per BAS 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.

4.28 Comparative Information

Comparative information has been disclosed in respect of the previous period for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year's financial statement.

5. Property, Plant & Equipment

Particulars	Balance as at 01.01.2010	Additions	Total as on 31.12.2010	Rate of Dep. (%)	Depreciation Charged During the year	Balance as at 31.12.2010
At Cost						
Unit : 01 (153-154 Tejgaon I/A)						
Land & Land Development	16,871,397		16,871,397	-	-	16,871,397
Factory & Office Building	20,618,592	3,037,025	23,655,617	10%	2,061,859	21,593,758
Plant & Machinery	62,306,003	12,834,242	75,140,245	15%	9,345,900	65,794,345
Furniture & Fixture	5,527,875	1,754,814	7,282,689	15%	829,181	6,453,508
Office Equipments	10,031,350	4,418,560	14,449,910	15%	1,504,703	12,945,207
Vehicles	21,161,005	1,700,000	22,861,005	20%	4,232,201	18,628,804
Laboratory Equipments	4,827,934	-	4,827,934	15%	724,190	4,103,744
Medical Books & Journal	144,291	-	144,291	10%	14,429	129,862
Medical Bags	164,968	-	164,968	20%	32,994	131,974
A. Sub-Total:	141,653,415	23,744,641	165,398,056		18,745,457	146,652,599
At Revaluation						
Unit : 01 (153-154 Tejgaon I/A)						
Land & Land Development	280,128,603	-	280,128,603	-	-	280,128,603
Factory & Office Building	137,959,103	-	137,959,103	10%	13,795,910	124,163,193
Plant & Machinery	46,590,940	-	46,590,940	15%	6,988,641	39,602,299
B. Sub-Total:	464,678,646	-	464,678,646		20,784,551	443,894,095
Unit : 02 (at Vatukha)						
Land & Land Development	-	232,474,853	232,474,853		-	232,474,853
C. Sub-Total:	-	232,474,853	232,474,853		-	232,474,853
Unit : 03 (at Siddirganj)						
Land & Land Development	-	48,440,000	48,440,000		-	48,440,000
D. Sub-Total:	-	48,440,000	48,440,000		-	48,440,000
Total 2010	606,332,061	304,659,494	910,991,555		39,530,008	871,461,547
Total 2009	613,721,580	12,135,189	625,856,769		19,524,708	606,332,061

5.1 Allocation of Depreciation

Particulars	Factory overhead	General and Administration expenses	Selling & Distribution expenses	Total
At Historical Cost				
Factory & Office Building	2,061,859	-	-	2,061,859
Plant & Machinery	9,345,900	-	-	9,345,900
Furniture & Fixture	207,295	223,879	398,007	829,181
Office Equipments	406,270	631,975	466,458	1,504,703
Vehicles	42,322	3,343,439	846,440	4,232,201
Laboratory Equipments	724,190	-	-	724,190
Medical Books & Journal	-	-	14,429	14,429
Medical Bags	-	-	32,994	32,994
Sub Total	12,787,836	4,199,293	1,758,328	18,745,457
At Revaluation				
Factory & Office Building	13,795,910	-	-	13,795,910
Plant & Machinery	6,988,641	-	-	6,988,641
Sub Total	20,784,551	-	-	20,784,551
Grand Total	33,572,387	4,199,293	1,758,328	39,530,008

ORION PHARMA LIMITED

Notes to the Financial Statements

For the year ended December 31, 2010

		Amount in Taka	
		31.12.2010	31.12.2009
6. Investments (at cost)			
Investment in Subsidiaries and associates (Note 6.1)		166,025,000	143,900,000
Share Money Deposits (Note 6.2)		928,885,000	-
Investment in Marketable Securities (Note 6.3)		151,556,855	246,000
Interest bearing Investments (Note 6.4)		4,108,302,419	-
		5,354,769,274	144,146,000
6.1 Investment in Subsidiaries and associates		166,025,000	143,900,000
Orion Infusion Limited (4,43,000 Ordinary Shares @ Tk. 100 each)		44,300,000	44,300,000
Orion Holding Limited (99,60,000 Ordinary Shares @ Tk. 10 each)		99,600,000	99,600,000
Integral Energy Limited (2,10,000 Ordinary Shares @ Tk. 100 each as share capital)		21,000,000	-
Dutch Bangla Power & Associates Ltd. (1,12,500 Ordinary Shares @ Tk. 10 Each)		1,125,000	-
6.2 Share Money Deposits:		928,885,000	-
Advance against Share Money with Integral Energy Limited		2,800,000	-
Advance against Share Money with Bon Consortium Power Company Ltd.		237,105,000	-
Advance against Share Money with Orion Hospital Projects		278,445,000	-
Advance against Share Money with Panbo Bangla Mashroom Ltd.		124,938,000	-
Advance against Share Money with Orion Knit Textiles Ltd.		160,000,000	-
Advance against Share Money with Consortium of BAJVL & Associates		22,100,000	-
Advance against Share Money with Orion Agro Product Ltd.		103,497,000	-
6.3 Investment in Marketable Securities (A+B+C+D+E):			
Portfolio with AB Investment Ltd. (A)			
Apex Adelchi Footwear Ltd.	12,006,310	12,000,686	-
Apex tannery Ltd.	181,450	217,509	-
Bangladesh Export- Import Ltd.	3,115,000	3,267,988	-
Bangladesh Thai Aluminum Ltd.	1,245,750	1,083,780	-
Bank Asia. Limited.	2,572,500	2,046,438	-
Bay Leasing & Investment	4,389,375	3,372,130	-
Fareast Islami Life Insu.	1,405,950	1,410,469	-
Fidelity Assets & security.	1,824,500	1,993,942	-
Green Delta Insurance co	4,897,500	4,750,132	-
Heidelberg Cement Bangla	109,778	115,001	-
I.F.I.C Bank Ltd.	4,262,250	3,969,970	-
ICB Amcl 2nd Nrb Mutual Fund	2,577,500	2,360,709	-
Islamic Finance & Investment.	1,866,500	1,601,636	-
Karnafuli Insurance Co.Ltd.	980,000	1,097,799	-
Mithun Knitting And Dyeing	4,553,313	4,010,126	-
N C C Bank.Ltd.	2,064,000	1,564,958	-
National Tea Company Ltd.	1,736,100	1,742,757	-
Progressive Life Insurance	1,978,800	1,590,096	-
R.N Spinning Mills Ltd.	4,189,500	3,960,564	-

	2010		2009
	Market Value	Cost	
Reliance Insurance Ltd.	4,345,625	4,588,504	-
Rupali Life Insurance Co.	13,862,100	11,154,003	-
Samorita Hospital Ltd.	4,440,750	4,680,575	-
Shinepukur Ceramics Ltd.	5,475,000	4,651,223	-
The Ibn Sina pharmaceuticals	7,981,805	7,590,364	-
Trust Bank Limited	3,766,250	3,283,543	-
Total	95,827,605	88,104,901	-
Southeast Bank Capital Services Ltd. (B)			
Green Delta Mutual Fund (Placement)	5,000,000	5,000,000	-
ISLAND SECURITIES LTD. (C)			
Anwar Galvanizing	1,832,000	1,558,160	-
Bech Hechary	3,797,500	3,044,650	-
Desh Garments	549,000	465,700	-
Eastern Housing Ltd	696,750	869,620	-
Fine Foods Ltd	953,000	1,270,400	-
Fu-Wang Ceramic	1,648,650	1,638,616	-
Grameen Mutual Fund One.	2,256,000	2,065,600	-
Hakkani pulp paper	362,450	312,620	-
Imam Button Inds.	295,875	214,345	-
Mithun Knitting	687,800	760,660	-
Rahima Food	984,200	941,164	-
Rupali Bank Ltd	1,744,000	1,989,750	-
Social Islami Bank	6,526,800	5,817,420	-
	22,334,025	20,948,705	-
Bank Asia Capital Market Division (D)			
Beach Hatchery Ltd.	2,150,000	2,148,400	-
Pragati Insurance	1,089,900	1,193,878	-
Grameen Mutual Fund	3,141,000	2,794,800	-
Fu-Wang Ceramic Ind	1,426,875	1,530,825	-
Active Fine Chemical	1,193,000	1,521,700	-
Pubali Bank	868,250	915,935	-
Islami Bank	1,601,000	1,457,620	-
Shinepukur Ceramics Ltd.	3,285,000	3,126,600	-
Lafarge Surma Cement	1,127,500	1,312,380	-
Rahima Food Ltd.	2,775,000	3,015,080	-
Prime Textile	1,219,500	1,327,770	-
Fine Foods Ltd.	972,000	1,224,500	-
Eastern Housing	2,832,000	3,547,580	-
Anwar Galvani	2,048,200	2,261,688	-
Trust Bank Ltd.	1,506,500	1,435,300	-
Kay & Que	913,500	1,116,500	-
	28,149,225	29,930,556	-
ICB Islami Bank Limited (E)	246,000	246,000	246,000

		Amount in Taka	
		31.12.2010	31.12.2009
6.4 Interest bearing Investments:		4,108,302,419	-
IEL Consortium & Associates Ltd.		2,272,999,500	-
Belhasa Accom and Associates Ltd.		461,068,065	-
Dutch Bangla Power & Associates Ltd.		1,374,234,854	-
Total:		4,108,302,419	-
7. Inventories			
Raw Materials		92,069,757	55,352,220
Packing Materials		27,346,776	31,994,531
Work-in-Process		11,483,424	5,104,551
Finished Goods		67,133,308	64,046,680
Stationary & Promotional Materials		6,572,893	4,843,871
Total:		204,606,158	161,341,871
8. Trade Receivable		91,002,717	68,230,300

This is unsecured, considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

SL	Particulars	2010 Taka	2009 Taka
I	Accounts Receivable considered good in respect of which the company is fully secured	91,002,717	68,230,300
II	Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Accounts Receivable considered doubtful or bad	-	-
IV	Accounts Receivable due by any director or other officer of the company	-	-
V	Accounts Receivable due by Common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	TOTAL	91,002,717	68,230,300

The Company did not make a provision against accounts receivable as accounts receivable are good and the amount is not a material item.

9. Other Receivables			
Claim Receivable		4,375,636	2,952,220
Divided Receivable		6,256,000	7,894,370
Receivable against sale of share		-	194,610,000
Accrued Interest on FDR		16,140,829	-
Other Receivables		381,256,594	93,181,210
Total:		408,029,059	298,637,810

This is considered good and is falling due within one year.

No amount was due by the directors (including Managing Director), managing agent and other officers of the company and any of them severally or jointly with any other person.

10. Advances, Deposits & Prepayments			
Advances:		404,692,282	196,316,400
Advance Imprest Money		197,000	112,250
Motor Cycle Advance		15,889,338	6,088,300
Advance Income Tax		68,592,985	43,691,420
Advance to Suppliers and C&F Agents		29,092,514	20,540,610
Advance against Land Purchase		-	106,065,600
Advance against Imported Materials		46,215,680	17,665,370
Differed Expenditure Share Issue Cost		242,441,675	-
Advance house rent		2,263,090	2,152,820

Amount in Taka		
	31.12.2010	31.12.2009
Deposits:		
Earnest Money	25,719,477	3,030,848
Security Deposit	232,353	232,353
VAT Current Account	2,831,009	2,602,219
Bank Guarantee Margin	532,478	196,276
Lease Deposit	19,606,290	-
	2,517,347	-
Total:	430,411,759	199,347,253

No amount was due by the directors (including Managing Director), managing agent and other officers of the company and any of them severally or jointly with any other person.

No amount was due by any associated undertaking.

This is considered good and is falling due within one year.

11. Fixed Deposits with Banks

Basic Bank Ltd. Dhanmondi Branch, Dhaka	100,000,000	-
Southeast Bank Ltd. Satmashjid Road Branch, Dhaka	100,000,000	-
Agrani Bank, WASA Branch, Dhaka	100,000,000	-
United Commercial Bank ,Mohammadpur,Dhaka	10,000,000	-
Social Islami Bank Ltd.	250,000,000	-
Social Islami Bank Ltd.	250,000,000	-
	810,000,000	-

12. Cash and Cash Equivalent

Cash in Hand	7,907,291	5,794,134
Cash at Brokerage House	97,767	-
Balance with Banks on Account	1,510,422,124	41,491,929
Short Term Deposit Account	43,593,892	17,318,902
Current Account	1,466,828,232	24,173,027
Total:	1,518,427,182	47,286,063

13. Bank Loan and Credits

LIM, Agrani Bank Ltd. (WASA Corpt. Branch, Dhaka)	40,616,884	13,308,209
Cash Credit (H) - 48, Agrani Bank Ltd (WASA Corpt. Branch, Dhaka)	364,778	122,452,192
Cash Credit (P) - 527, Agrani Bank Ltd.(WASA Corpt.Branch,Dhaka)	58,923,278	36,153,274
Total:	99,904,940	171,913,675

14. Creditors & Other Payables

Suppliers	72,003,847	82,938,942
Tax deducted at source	7,792,539	3,637,266
Other Payables	100,525,160	89,996,870
Payable against purchase of shares	32,153,424	-
Total:	212,474,970	176,573,078

These are unsecured, payable within one year.

15. Accrued Expenses

Accrued Expenses	40,207,924	28,994,124
Utilities Payable	558,969	1,064,577
Provision for Income Tax	175,000,000	30,000,000
Audit Fee	500,000	50,000
Total:	216,266,893	60,108,701

These are unsecured & is payable within one year.

16. Share Capital

50,00,00,000 Ordinary Shares of Tk. 10 each	5,000,000,000	1,000,000,000
<u>Subscribed and Paid-up Capital</u>		
15,50,00,000 Ordinary Shares of Tk. 10 each	1,550,000,000	100,000,000

Shareholding Position

Sponsor shareholder
Institutional Shareholders
Individual Shareholders

Percentage	2010		2009
	No of shares	Amount	No of shares
32.89	50,968,000	509,680,000	100,000,000
36.21	56,133,500	561,335,000	-
30.90	47,898,500	478,985,000	-
100	155,000,000	1,550,000,000	-

17. Long Term Loan

Interest Free Block Account, Agrani Bank Ltd. (WASA Corpt. Branch, Dhaka)	-	117,783,591
Project Loan, Agrani Bank Ltd.(WASA Corpt. Branch, Dhaka)	-	31,382,949
Bai-Murabaha First Security Bank Ltd. (Dilkusha C/A, Dhaka)	-	136,359,929
Loan from SABINCO	-	1,146,046
Total:	-	286,672,515

18. Revenue (Turnover) from Net Sales

This is made-up as follows:

Local Sales	1,384,693,582	947,524,876
Export Sales	27,308,770	19,738,178
Total (Turnover) from Net Sales	1,412,002,352	967,263,054

19. Cost of Goods Sold

Raw Materials consumed (Notes # 19.1)	363,420,325	280,364,946
Packing Materials consumed (Notes # 19.2)	143,038,704	102,733,698
Wages, Allowance & Bonus	44,216,554	37,543,451
Contributory Provident Fund	1,241,901	1,082,966
Electricity	1,636,728	902,394
Gas	4,931,185	4,682,812
WASA	1,333,535	1,150,619
Factory Overhead Expenses (Notes # 19.3)	38,650,299	33,063,887
Depreciation (Notes-5.1)	33,572,387	14,436,115
Manufacturing Cost for the period	632,041,618	475,960,888
Add: Opening Work-in-process	5,104,559	6,978,247
Manufacturing Cost	637,146,177	482,939,135
Less: Closing Work-in-Process	11,483,424	5,104,559
Cost of Goods Manufactured	625,662,753	477,834,576
Add: Opening Stock of Finished Goods	64,046,683	44,544,359
Cost of Goods Available for Sale	689,709,436	522,378,935
Less: Closing Stock of Finished Goods	67,133,308	64,046,683
	622,576,128	458,332,252
Less: Cost of Physician Sample	(7,066,706)	-
Cost of Goods Sold	615,509,422	458,332,252

Materials consumed include imported materials at 80.92 % of the total (2009: 81.43%)

The employees get salary at Tk. 3,000 per month and above.

19.1 Raw Materials Consumed :

Opening Stock	55,352,222	52,984,326
Add: Purchase during the period	400,137,860	282,732,842
Goods available for use	455,490,082	335,717,168
Less: Closing Stock	92,069,757	55,352,222
Consumed during the period	363,420,325	280,364,946

Amount in Taka

31.12.2010	31.12.2009
31,994,538	43,916,152
138,390,942	90,812,084
170,385,480	134,728,236
27,346,776	31,994,538
143,038,704	102,733,698

19.2 Packing Materials Consumed :

Opening Stock
Add: Purchase during the period
Goods Available for use
Less: Closing Stock
Consumed during the period

19.3 Factory Overhead Expenses :

Repairs & Maintenance	8,419,397	8,096,983
Fuel & Lubricants	4,201,753	2,754,333
Printing & Stationery	3,478,091	2,320,677
Washing & Cleaning	298,082	820,811
Carrying Inward	171,820	240,580
Workers Uniform	509,058	360,888
Laboratory Expenses	803,710	816,692
Sample Test & Analysis	50,000	15,216
Training Expenses	135,249	-
Traveling & Conveyance	1,927,852	1,314,363
Entertainment	30,871	191,509
Workers' Food Expenses	11,053,669	9,030,658
Telephone	614,280	390,733
Miscellaneous Expenses	1,852,162	1,375,268
Insurance Premium	899,415	822,736
Fees & Taxes	347,475	266,993
Spare Parts	2,281,415	2,781,447
Godown Rent	1,576,000	1,464,000
Total:	38,650,299	33,063,887

20. General & Administrative Expenses

Salaries, Allowance & Bonus	34,061,585	26,914,837
Contributory Provident Fund	1,180,661	1,048,202
Director's Remuneration	12,900,000	8,100,000
Printing & Stationary	4,325,887	3,880,764
Rent, Rates & Taxes	50,982	30,980
Postages, Telephone & Fax	3,827,398	3,353,879
Renewal and Fees	151,450	1,154,341
Bank Charges & Commission	1,017,600	557,075
Fooding & Other Expenses	5,158,752	4,221,168
Audit Fees	500,000	50,000
News Paper & Periodicals	71,028	49,332
Advertisement and Publicity	2,526,876	1,530,517
Fuel & Lubricants	4,823,967	4,215,070
Repairs & Maintenance	3,271,603	2,077,420
Traveling & Conveyance	3,581,016	1,846,118
Insurance Premium	2,749,249	917,087
Software Consultancy & Other Fees	1,222,260	420,000
Miscellaneous Expenses	1,009,979	844,921
Depreciation (Notes-5.1)	4,199,293	3,720,571
Overseas Travel & Training Expenses	2,343,490	1,893,562
Security Guard Expenses	287,729	664,691
Total:	89,260,805	67,490,535

The employees get salary at Tk. 3,000 per month and above.

Amount in Taka

	31.12.2010	31.12.2009
21. Selling and Distribution Expenses		
Salaries, Allowance & Bonus	201,464,751	172,804,779
Contributory Provident Fund	6,780,295	6,404,567
Field Force TA/DA	42,214,362	38,071,568
Printing & Stationary	6,870,917	4,949,399
Postages, Telephone & Fax	8,623,179	5,908,781
Electricity, Fooding & Others	2,914,856	1,910,424
Product Development & Other Expenses	2,549,874	3,960,579
Training & Conference	4,421,106	3,086,740
Office Rent (Depot)	3,270,458	2,595,497
Repair & Maintenance	4,456,294	4,121,972
Traveling & Conveyance	3,141,125	1,723,349
Bank Charges & Commission	1,152,725	1,172,444
Carrying & Distribution Expenses	22,919,751	19,557,299
Promotional Materials	17,365,127	12,574,600
Sales Discount to retailers	3,354,630	1,836,315
Sample Expenses	7,066,706	4,836,315
Miscellaneous Expenses	2,569,066	1,172,776
Export Promotion Expenses	392,990	689,370
Depreciation (Notes-5.1)	1,758,328	1,368,023
Lease Rent	1,378,388	-
Fuel & Lubricants	3,812,675	1,034,972
Overseas Traveling & Training	1,732,854	848,439
Total:	350,210,457	290,628,208

22. Financial Income/(Expenses)**Financial Income**

Interest on FDR	132,019,950	725,631
Bank Interest	16,140,829	-
Interest on IEL Consortium & Associates Ltd.balance	1,865,702	725,631
Interest on Dutch Bangla Power & Associates Ltd.balance	68,399,500	-
Interest on Belhasa Accom and Associates Ltd.balance	35,018,854	-
	10,595,065	-

Financial Expenses

Cash Credit (P) - 527, Agrani Bank Ltd.(WASA Corpt.Branch,Dhaka)	30,045,225	44,121,594
Cash Credit (H) - 48, Agrani Bank Ltd (WASA Corpt. Branch, Dhaka)	4,572,489	4,243,061
Project Loan, Agrani Bank Ltd.(WASA Corpt. Branch, Dhaka)	11,971,353	16,250,703
Agrani Bank Ltd.-Blocked Account (WASA Corpt. Branch, Dhaka)	1,115,682	3,450,016
SABINCO	-	160,000
Bai-Murabaha, First Security Bank Ltd.	2,297	419,180
Agrani Bank Ltd. -LIM (WASA Corpt. Branch, Dhaka)	-	8,860,510
Interest on Contributory Provident Fund	1,688,384	2,117,814
	10,695,020	8,620,310
	101,974,725	(43,395,963)

23. Other Income

Sale of Scrap	496,633	-
Dividend Receivable	6,256,000	9,287,500
Fair Value adjustment of Marketable Securities	7,326,693	-
	14,079,326	9,287,500

Amount in Taka	
31.12.2010	31.12.2009

24. Earning Per Share

The computation is given below:

Earnings attributable to the ordinary shareholders

Weighted average number of ordinary shares outstanding during the year(24.1)

Basic earning per share (EPS)

330,007,484	251,313,596
53,424,657	6,124,932
6.18	41.03

24.1 Weighted average number of shares outstanding during the year

	No. of shares	Weight	Weighted Average Number of shares	Weighted Average Number of shares
Shares Outstanding as on 01.01.2010	10,000,000	365	10,000,000	4,800,000
Ordinary Shares issued during 2010	145,000,000	432	43,424,657	1,324,932
	155,000,000	797	53,424,657	6,124,932

Weighted average number of shares outstanding for the year 2010

Date of issue	Total days	No. of shares issued	Calculation	No. of shares issued by weighted average method
Opening	365	10,000,000	10000000*365/365	10,000,000
25/06/10	190	20,000,000	20000000*190/365	10,410,959
21/07/10	164	50,000,000	50000000*164/365	22,465,753
17/10/10	76	50,000,000	50000000*76/365	10,410,959
30/12/10	2	25,000,000	25000000*02/365	136,986
Total	797	155,000,000		53,424,657

Weighted average number of shares outstanding for the year 2009

	Total days	No. of shares issued	Calculation	No. of shares issued by weighted average method
Opening	365	4,800,000	4800000*365/365	4,800,000
30/09/09	93	5,200,000	5200000*93/365	1,324,932
Total	458	10,000,000		6,124,932

25. 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". 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 31st December, 2010 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.01.2010	Addition	Adjustment	Amount (Tk.)
Orion Infusion Ltd	Common Director/ Shareholders	Investment	44,300,000	-	-	44,300,000
Orion Holding Limited	Common Director/ Shareholders	Investment	99,600,000	-	-	99,600,000
Integral Energy Limited	Common Director/ Shareholders	Investment	-	23,800,000	-	23,800,000
Dutch Bangla Power & Associates Ltd.	Common Director/ Shareholders	Investment	-	1,375,359,854	-	1,375,359,854
Bon Consortium Power Company Ltd.	Common Director/ Shareholders	Investment	-	237,105,000	-	237,105,000
Orion Hospital Project	Common Director/ Shareholders	Investment	-	278,445,000	-	278,445,000
Panbo Bangla Mashroom Ltd.	Common Director/ Shareholders	Investment	-	124,938,000	-	124,938,000
Orion Knit Textiles Ltd.	Common Director/ Shareholders	Investment	-	160,000,000	-	160,000,000
Consortium of BAJVL & Associates	Common Director/ Shareholders	Investment	-	22,100,000	-	22,100,000
IEL Consortium & Associates Ltd.	Common Director/ Shareholders	Investment	-	2,272,999,500	-	2,272,999,500
Belhasa Accom and Associates Ltd	Common Director/ Shareholders	Investment	-	461,068,065	-	461,068,065
Dutch Bangla Power & Associates Ltd.	Common Director/ Shareholders	Investment	-	1,339,216,000	-	1,339,216,000
Orion Agro Product Ltd.			-	103,497,000	-	103,497,000
Total			143,900,000	6,398,528,419	-	6,542,428,419

Transaction with key management personnel of the entity.

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	12,900,000
(b)	Expenses reimbursed to Managing Agent.	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate.	Nil
(d)	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.	Nil
(e)	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 financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission.	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon.	Nil
(i)	Share Based payments	Nil

2010	2009
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26. Production Capacity

Production capacity Million in Box/Phile
Actual Production Million in Box/Phile
Capacity Utilized Million in Box/Phile

35	32
28.79	21.21
82.25%	66.28%

Reason for shortfall : Production as per market demand.

27. Events After Reporting Period

There is no post-balance sheet event that requires adjustment of the financial statements.

28. General

28.01 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided as on 31.12.2010

There is no material capital expenditure authorized by the board but not contracted for as on 30.09.2010

28.02 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 31.12.2010.

28.03 Credit Facilities not Availed

There is no credit facilities available to the Company but not availed as on 31.12.2010 under any contract, other than trade credit available in the ordinary course of business.

28.04 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the period from 1 January to 30 September 2010.

28.05. Directors Responsibility Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

28.06. Employee Details:

i) During the year there were 1421 employees employed for the full year and 963 employees less than the full year at a remuneration of Taka 3,000 per month and above.

ii) At the end of the year, there were 1929 employees in the Company.

28.07. Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest Taka and, wherever considered necessary.

28.08. Rearrange of last year figures

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.


Managing Director


Director


Director