

ORION PHARMA LIMITED

**Auditor's Report & Financial Statements
for the year ended 31 December 2011**



S. F. AHMED & CO.
Chartered Accountants

Associate Firm of Ernst & Young

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

We have audited the accompanying financial statements of Orion Pharma Limited which comprises Statement of Financial Position as at 31 December 2011 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 notes.

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). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud and 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 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 along with the notes thereon as at 31 December 2011, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of the company, and of the results of their financial performance and cash flows for the year ended 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 Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the company's business.



Dated, Dhaka;
18 April 2012

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

ORION PHARMA LIMITED

Statement of Financial Position

As at 31 December 2011

	Notes	Amount In BDT	
		2011	2010
Assets			
Non-Current Assets		9,061,858,348	6,247,845,463
Property, Plant and Equipment	5	2,816,409,198	870,361,103
Construction Work in Progress	6	66,346,481	1,100,444
Investment in Subsidiaries	7	1,366,600,000	120,600,000
Investment in Associates	8	249,852,000	44,379,647
Other Investments	9	4,562,650,669	5,211,404,269
Current Assets		3,063,293,663	3,237,316,880
Inventories	10	319,038,489	250,821,838
Trade and Other Receivables	11	2,035,533,123	476,371,781
Advances, Deposits & Prepayments	12	325,215,243	181,696,079
Fixed Deposit with Banks	13	345,730,000	810,000,000
Cash and Cash Equivalents	14	37,776,808	1,518,427,182
Total Assets		12,125,152,011	9,485,162,343
Equity and Liabilities			
Shareholders' Equity		10,739,732,684	8,937,303,629
Share Capital	15	1,550,000,000	1,550,000,000
Share Premium		6,547,500,000	6,547,500,000
Reserves	16	1,840,630,151	427,670,068
Retained Earnings		801,602,533	412,133,561
Non-current Liabilities		149,006,194	93,039,855
Employee Benefit Provision	17	133,272,548	83,590,361
Deferred Tax Liability	18	15,733,646	9,449,494
Current Liabilities		1,236,413,133	454,818,859
Short Term Loans	19	426,465,591	158,755,580
Trade Creditors	20	288,735,370	79,796,386
Accrued Expenses	21	521,212,172	216,266,893
Total		12,125,152,011	9,485,162,343
Number of Shares used to compute NAV		155,000,000	155,000,000
Net Asset Value (NAV) Including Revaluation Surplus		69.29	57.66
Net Asset Value (NAV) Excluding Revaluation Surplus		58.48	54.95

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:
18 April 2012




S. F. Ahmed & Co.
Chartered Accountants


ORION PHARMA LIMITED

Statement of Comprehensive Income For the year ended 31 December 2011

	Notes	Amount In BDT	
		2011	2010
Revenue from Net Sales	22	1,762,593,863	1,412,002,352
Cost of Goods Sold	23	(742,176,261)	(612,523,007)
Gross Profit		1,020,417,602	799,479,345
Operating Expenses		(554,026,969)	(442,457,677)
General & Administrative Expenses	24	(120,483,368)	(88,483,964)
Selling & Distribution Expenses	25	(433,543,601)	(353,973,713)
Profit from Operation		466,390,633	357,021,668
Financial Expenses	26	(29,300,758)	(30,045,225)
Interest & Other Income	27	443,511,407	140,704,348
Net Profit from Operation		880,601,282	467,680,791
Workers Profit Participation Fund	17.01	(42,665,576)	(9,762,417)
Net Profit before Tax		837,935,706	457,918,374
Income Tax		(317,550,519)	(141,103,083)
Current Tax Expenses	21.1	(311,266,367)	(145,000,000)
Deferred Tax Expenses/Income	18	(6,284,152)	3,896,917
Net Profit after Tax		520,385,188	316,815,291
Share of Profit from Associate	8	5,727,120	-
Net Profit after Tax		526,112,308	316,815,291
Add: Other Comprehensive Income		1,431,316,747	7,326,693
Revaluation Surplus on Property, Plant and Equipment		1,273,839,501	-
Fair Value Gain of Marketable Securities		(50,037,987)	7,326,693
Fair Value Gain on Investment in Associate		207,515,233	-
Total Comprehensive Income attribute to Ordinary Share Holders		1,957,429,055	324,141,984
Basic Earning Per Share (EPS)			
EPS on Continuing Operation	28	3.39	5.89
EPS on Noni Operating Income	28	0.01	0.04
EPS on Comprehensive Income	28	9.23	0.14
Comprehensive Income per Share		12.63	6.07

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:
18 April 2012



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

ORION PHARMA LIMITED

Statement of Changes in Equity For the year ended 31 December 2011

Amount in BDT

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings (Restated)	Reserves	Total
Balance at 1st January 2010	100,000,000	-	65374763	464678646	630,053,409
Deferred Tax Expenses upto 2010 (retrospective effect as per BAS 8)	-	-	(13,346,412)	-	(13,346,412)
Restated Retained Earnings as at 01 January 2010	100,000,000	-	52,028,351	464,678,646	616,706,997
Net Profit for the year 2010	-	-	316,815,291	-	316,815,291
Proceeds from issue of shares	1,450,000,000	-	-	-	1,450,000,000
Share Premium	-	6,750,000,000	-	-	6,750,000,000
Advance Income Tax on Share Premium	-	(202,500,000)	-	-	(202,500,000)
Cumulative loss of Associates upto 2010 (retrospective effect as per BAS 8)	-	-	(1,045,353)	-	(1,045,353)
Depreciation on Revaluation Surplus Transfer to Retained Earnings	-	-	44,335,271	(44,335,271)	-
Fair Value Gain on Marketable Securities	-	-	-	7,326,693	7,326,693
Balance at 31 December 2010	1,550,000,000	6,547,500,000	412,133,561	427,670,068	8,937,303,629
Net Profit after Tax	-	-	526,112,308	-	526,112,308
Fair Value Gain on Investment in Associates	-	-	-	207,515,233	207,515,233
Revaluation Surplus on Property, Plant and Equipment	-	-	-	1,273,839,501	1,273,839,501
Fair Value Loss on Marketable Securities	-	-	-	(50,037,987)	(50,037,987)
Cash Dividend for the year 2010	-	-	(155,000,000)	-	(155,000,000)
Depreciation on Revaluation Surplus	-	-	18,356,664	(18,356,664)	-
Balance at 31 December 2011	1,550,000,000	6,547,500,000	801,602,533	1,840,630,151	10,739,732,684


Managing Director


Director


Director



ORION PHARMA LIMITED

Statement of Cash Flows

For the year ended 31 December 2011

	Amount In BDT	
	2011	2010
A. Cash Flows from Operating Activities :		
Cash Received from Customers	1,740,704,683	1,389,229,939
Cash paid to Suppliers	(758,744,375)	(669,708,797)
Cash Payment for Operating Expenses	(666,296,967)	(448,242,493)
Cash Generated from Operation	315,663,341	271,278,649
Cash Payment for Income Tax	(26,285,030)	(24,901,562)
Net Cash Generated/(Used) from Operating Activities	289,378,311	246,377,087
B. Cash Flows from Investing Activities :		
Acquisition of Property, Plant & Equipment	(709,884,297)	(304,659,494)
Capital Work in Progress	(65,246,037)	-
Investment in Subsidiaries, Associate & Securities	(2,141,129,589)	(5,210,623,274)
Investment in FDR	464,270,000	(810,000,000)
Interest, Dividend & Other Income	450,122,434	(93,380,149)
Net Cash Received/(Used) in Investing Activities	(2,001,867,489)	(6,418,662,917)
C. Cash Flows from Financing Activities :		
Long Term Loan Received / (Repaid)	-	(286,672,515)
Short Term Loan Received / (Repaid)	267,710,011	(39,855,311)
Share Capital Received	-	8,200,000,000
Share Money Deposit	-	(200,000,000)
Financial expense paid	(29,300,758)	(30,045,225)
Cash dividend paid	(6,570,449)	-
Net Cash Received/(Used) in Financing Activities	231,838,804	7,643,426,949
Net Increase /(Decrease) in Cash & Cash Equivalents (A+B+C)	(1,480,650,374)	1,471,141,119
Cash & Cash Equivalents at the beginning of the year	1,518,427,182	47,286,063
Cash & Cash Equivalents at the end of the year	37,776,808	1,518,427,182
Operating Cash Flow Per Share	1.87	1.59


Managing Director


Director



Director

ORION PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended on December 31, 2011

1. Legal Status of the Company

Orion Pharma Limited was 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, Bangladesh.

Nature of Business Activities

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

2. Risk Exposure

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

2.2 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 Company builds its exchange rate risks in its costs and prices.

2.3 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.



2.4 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 act accordingly.

2.5 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 therefore.

3. Basis of preparation

3.1 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 4.2. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

3.2 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.

3.3 Statement on Compliance of Bangladesh Accounting Standards

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

3.4 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.



3.5 Accrual Basis

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

3.6 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 have been followed in accordance with Bangladesh Accounting Standard (BAS) 28 "Investments in Associates" except in respect of a listed associate which at balance sheet date has been re-stated at market value thereof at Dhaka Stock Exchange as per BAS 39: "Financial Instruments"; and also in respect of certain other associates as explained in note 8.

3.7 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, 2011;
- ii) Statement of Comprehensive Income for the year ended December 31, 2011;
- iii) Statement of Changes in Equity as at December 31, 2011;
- iv) Statement of Cash Flow for the year ended December 31, 2011; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended December 31, 2011.

3.8 Reporting Period

The Financial period of the company covers one year from 1 January 2011 to 31 December 2011.

4.0 Significant accounting policies

4.1 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".



4.2 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, Building and other Civil constructions and Plant and Machinery have been revalued to reflect fair value (prevailing market price) thereof following "Current Cost Method" subsequently Land and Land Developments, Building and other Civil constructions and Plant and Machinery have been revalued on 31 December 2011.

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 asset 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 Equipments	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 31.12.2011 is not materially different from the carrying amount.

Revaluation of fixed assets

The Company made revaluation of the Company's its 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 which 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	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
4. Other Fixed Assets				38,968,457	38,968,457	-
				149,042,934	637,272,300	488,229,366

Subsequent Revaluation:

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

4.3 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.



4.4 Cash and Cash Equivalents

Cash and cash equivalents consists of cash on 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.

4.5 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 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.

4.6 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.

4.7 Employee Benefits Provision

Confirmed employee’s of the Company is entitled to get provident fund where the Company (employer)’s contribution is 10% which is recognized under Income - tax law.

4.8 Authorization date for issuing Financial Statements

The financial statements were authorized by the Board of Directors on 18 April 2012 for issue after completion of review.

4.9 Reporting Currency

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



4.10 Risk and Uncertainty for 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 BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

4.11 Provisions, Accrued Expenses and Other Payables

Provisions and accrued expenses are recognized 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

4.12 Financial Instruments

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 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

Asset Category	Description	Measurement after initial recognition	Recognition
Available for sale Financial assets: 1. Investment in marketable securities. 2. Investment in Associates. 3. FDR	Financial assets that are either electively 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 comprehensive income. ii) Unrealized gain-loss to Statement of Comprehensive Income.



Loans and receivables: 1.Trade Receivable 2.Other Receivable	Unquoted financial assets with fixed or determinable payments.	Amortized cost/cost	Realized gain-loss/Interest Income foreign currency gain loss to Statement of 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 Comprehensive Income.

4.13 Segment Reporting

No geographical segment reporting is applicable for the Company as required by BAS 14: "Segment reporting", as the Company operates in a single geographical area.

4.14 Statement of Cash Flow

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

4.15 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-29).

4.16 Taxation

Current Tax Expenses

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

Deferred tax is accounted for using the comprehensive tax balance sheet method. It is usually generated by temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the periods when the assets and liabilities giving rise to them are realized or settled, based on the tax rates (tax law) that have been enacted or substantively enacted by the reporting date. The measurement reflects the consequences that would follow from the manner in which the group, at the reporting date, recovers or settles the carrying amount of its assets and liabilities.



4.17 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.

4.18 Restatement Financial Statements

Last year's financial statements have been restated by giving retrospective effect where necessary as per BAS 8 'Accounting Policies' Changes in Accounting Estimates and Error'.

4.19 Event after reporting period

There were no adjusting or non-adjusting events after reporting period.

4.20 Comparative Information

Comparative information has been disclosed in respect of the previous year 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 current year's financial statements.



5. Property, Plant & Equipment

Sl. No.	Particulars	W.D.V. as at 01.01.2011	Addition During the year	Disposal / Sale	Total as on 31.12.2011	Rate of Dep. (%)	Depreciation Charged During the year	Balance as at 31.12.2011
At Historical Cost								
1	Land & Land Development	296,685,806	590,937,839	-	887,623,645	-	-	887,623,645
2	Factory & Office Building	21,593,758	13,258,759	-	34,852,517	10%	2,159,376	32,693,141
3	Plant & Machinery	65,794,345	40,924,999	-	106,719,344	15%	9,869,152	96,850,192
4	Furniture & Fixture	6,453,508	12,353,728	-	18,807,236	15%	968,026	17,839,210
5	Office Equipments	12,945,207	6,120,860	-	19,066,067	15%	1,941,781	17,124,286
6	Vehicles	18,628,804	34,977,438	-	53,606,242	20%	3,725,761	49,880,481
7	Laboratory Equipments	4,103,744	11,310,674	-	15,414,418	15%	615,562	14,798,856
8	Medical Books & Journal	129,862	-	-	129,862	10%	12,986	116,876
9	Medical Bags	131,974	-	-	131,974	20%	26,395	105,579
A. Sub-Total:		426,467,008	709,884,297	-	1,136,351,305		19,319,039	1,117,032,266
At Revaluation								
1	Land & Land Development	280,128,603	1,172,947,601	-	1,453,076,204	-	-	1,453,076,204
2	Factory & Office Building	124,163,193	53,758,771	-	177,921,964	10%	12,416,319	165,505,645
3	Plant & Machinery	39,602,299	47,133,129	-	86,735,428	15%	5,940,345	80,795,083
B. Sub-Total:		443,894,095	1,273,839,501	-	1,717,733,596		18,356,664	1,699,376,932
Total-2011		870,361,103	1,983,723,798	-	2,854,084,901		37,675,703	2,816,409,198
Total-2010		606,332,061	303,559,050	-	909,891,111		39,530,008	870,361,103

5.1 Depreciation has been charged on different cost centers as under :

Sl. No.	Particulars	Factory	General and Admn.	Selling & Distribution	Total
At Historical Cost					
1	Land & Land Development	-	-	-	-
2	Factory & Office Building	1,295,626	431,875	431,875	2,159,376
3	Plant & Machinery	9,869,152	-	-	9,869,152
4	Furniture & Fixture	242,007	261,367	464,652	968,026
5	Office Equipments	524,281	815,548	601,952	1,941,781
6	Vehicles	372,576	2,608,033	745,152	3,725,761
7	Laboratory Equipments	615,562	-	-	615,562
8	Medical Books & Journal	-	-	12,986	12,986
9	Medical Bags	-	-	26,395	26,395
Sub Total		12,919,204	4,116,823	2,283,012	19,319,039
At Revaluation					
1	Factory & Office Building	7,449,791	2,483,264	2,483,264	12,416,319
2	Plant & Machinery	5,940,345	-	-	5,940,345
Sub Total		13,390,136	2,483,264	2,483,264	18,356,664
Grand Total		26,309,340	6,600,087	4,766,276	37,675,703



ORION PHARMA LIMITED

Notes to the Financial Statements

As at and for the year ended 31 December 2011

Amount in BDT	
2011	2010

6. Construction Work in Progress

Opening Balance	1,100,444	-
Add: Incurred during the year	51,987,278	1,100,444
Less: Transferred to fixed asset during the year	13,258,759	-
Closing Balance	66,346,481	1,100,444

7. Investment in Subsidiaries

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	21,000,000
Orion Biocare Limited (49,50,000 Ordinary Shares @ Tk. 10 each as share capital)	49,500,000	-
Orion Natural care Limited (9,50,000 Ordinary Shares @ Tk. 10 each as share capital)	9,500,000	-
IEL Consortium & Associates Limited (95,00,000 Ordinary Shares @ Tk. 10 each as share capital)	950,000,000	-
Dutch Bangla Power & Associates Limited (6,700,000 Ordinary Shares @ Tk. 10 each as share capital)	67,000,000	-
Orion Agro Products Limited (9,00,000 Ordinary Shares @ Tk. 10 each as share capital)	90,000,000	-
Orion Capital Limited (8,00,000 Ordinary Shares @ Tk. 10 each as share capital)	80,000,000	-
	1,366,600,000	120,600,000

Investment in Subsidiaries are stated at cost

8. Investment In Associates

Orion Infusion Limited

Opening Balance	43,254,647	44,300,000
Less: Cumulative Loss Adjustment		(1,045,353)
Add: Share of profit of Associate	5,727,120	
Less: Dividend @ 15%	(6,645,000)	
Add: fare value adjustment of share in associates	207,515,233	-
	249,852,000	43,254,647
Dutch Bangla Power & Associates Ltd. (1,12,500 Ordinary Shares @ Tk. 10 Each)	-	1,125,000
	249,852,000	44,379,647

The key Financial data of the Company's principal associates as on 31 December 2011:

	Total Asset	Total Outsider Liabilities	Total Revenue for the period of 1 January to 31 December 2011	Net Profit for the period of 1 January to 31 December 2011
Orion Infusion Limited	704,518,129	304,541,501	613,755,199	26,321,174

Fair Value of Orion Infusion Limited's 4,430,000 shares as at 31 December 2011 is BDT 249,852,000

Fair Value of Orion Infusion Limited's 6,422,000 shares as at 31 December 2011 is BDT 362,200,800



Shareholding position of Associates:	Share Holding % of OPL	No. of share	2011	2010
			Value	Value
Orion Infusion Limited	21.76%	4,430,000	44,300,000	44,300,000
*Direct shares through Orion Holdings Ltd.	9.78%	1,992,000	129,758,880	129,758,880
Dutch Bangla Power & Associates Limited	45%	-	-	1,125,000
		6,422,000	174,058,880	175,183,880

*Orion Holdings Ltd. purchased 200,000 shares of Orion Infusion Ltd. at BDT 130,280,000.

		Amount in BDT	
		2011	2010
9. Other Investment			
Share Money Deposits (Note 9.1)		614,248,500	928,885,000
Investment in Project in Progress (Note9.2)		557,374,838	22,659,995
Investment on Marketable Securities (Note9.3)		101,518,868	151,556,855
Interest bearing Investments (Note 9.4)		3,289,508,463	4,108,302,419
		4,562,650,669	5,211,404,269
9.1 Share Money Deposits:			
Integral Energy Limited		-	2,800,000
Bon Consortium Power Company Ltd.		-	237,105,000
Orion Hospital Projects		-	278,445,000
Panbo Bangla Mushroom Ltd.		-	124,938,000
Consortium of BAJVL & Associates		22,100,000	22,100,000
Orion Agro Product		162,148,500	103,497,000
Orion Knit Textiles Limited		-	160,000,000
Dutch Bangla Power & Associates Ltd.		280,000,000	-
Digital Power & Associates Ltd.		150,000,000	-
		614,248,500	928,885,000
9.2 Investment in Projects in Progress			
Orion Gas Ltd.		29,020,703	22,659,995
Orion Refinery Project (BMRE of ERL Ctg.)		245,376,643	-
New Power Project (Coal 300 MT)		113,676,385	-
New Power Project (Coal 650 MT)		150,576,107	-
LNG Project		18,725,000	-
		557,374,838	22,659,995
9.3 Investment on Marketable Securities (Annexur A)			
AB Investment Ltd.		63,272,790	95,827,605
Southeast Bank Capital Services Ltd.		3,400,000	5,000,000
Island Securities Ltd.		16,958,598	22,334,025
Bank Asia Securities Ltd.		17,641,480	28,149,225
ICB Islami Bank Limited		246,000	246,000
Total		101,518,868	151,556,855
9.4 Interest bearing Investments			
IEL Consortium & Associates Ltd.		-	2,272,999,500
Belhasa Accom and Associates Ltd.		2,615,092,876	461,068,065
Dutch Bangla Power & Associates Ltd.		-	1,374,234,854
Panbo Bangla Mushroom Ltd.		379,308,815	-
Orion Knit Textile Ltd.		295,106,772	-
Total		3,289,508,463	4,108,302,419

Interest is charged at 13% per annum on a compound interest basis as agreed between the parties.



Amount in BDT	
2011	2010

10. Inventories

Raw Materials	121,371,828	92,069,757
Packing Materials	47,515,476	27,346,776
Work-in-Process	10,533,128	11,483,424
Finished Goods	75,677,269	67,133,308
Stationary & Promotional Materials	19,455,385	6,572,893
Goods in Transit	44,485,403	46,215,680
Total	319,038,489	250,821,838

11. Trade Receivable	112,891,897	91,002,717
Other Receivables (Note-11.1)	1,922,641,226	385,369,064
	2,035,533,123	476,371,781

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:

Aging of the above balance is as follows:

Below 180 days	112,891,897	91,002,717
Above 180 days	-	-
	112,891,897	91,002,717

SL	Particulars	Amount in BDT	
		2011	2010
I	Accounts Receivable considered good in respect of which the company is fully secured	112,891,897	91,002,717
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	112,891,897	91,002,717

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

11.01 Other Receivables

Claim Receivable	6,321,903	4,375,636
Divided Receivable	6,645,000	6,256,000
Interest on FDR	5,801,475	16,140,829
Current Account with Subsidiary and Associates (Note. 11.1.1)	1,783,033,387	266,127,516
Current Account with other related Companies (Note. 11.1.2)	119,446,401	92,469,083
Other Receivables	1,393,060	-
Total:	1,922,641,226	385,369,064

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.



Amount in BDT	
2011	2010

11.1.1 Current Account with Subsidiary and Associates

Orion Infusion Ltd.	226,043,908	266,127,516
Orion Holdings Ltd.	30,836,565	-
Integral Energy Ltd.	3,327,124	-
IEL Consortium & Associates Ltd.	140,109,411	-
Orion Natural Care Ltd.	3,626,432	-
Orion Bio Care Ltd	35,152,128	-
Dutch Bangla Power & Associate Ltd.	1,343,712,869	-
Orion Capital Ltd.	224,950	-
	1,783,033,387	266,127,516

11.1.2 Current Account with other related Companies

Orion Properties Ltd.	19,842,454	19,740,816
Belhasa Accom JV Ltd.	23,525,292	16,198,680
Jafflong Tea Company	62,628,605	56,529,587
Orion Consortium & Associates Ltd.	13,450,050	-
	119,446,401	92,469,083

12. Advances, Deposits & Prepayments

Advances:

	294,431,984	155,976,602
Advance Income Tax (Note-12.1)	80,200,709	68,592,985
Advance Imprest Money	136,450	197,000
Motor Cycle Advance	23,054,781	15,123,811
Advance Car Loan	-	765,527
Collection Advance	29,875,135	-
Advance to Suppliers and C&F Agents	31,770,349	29,092,514
Advance against Land Purchase	39,311,375	-
Advance against Imported Machineries	25,613,783	-
Advance Share Issue Cost	56,738,655	39,941,675
Advance House Rent	3,362,990	2,263,090
Advance against cash purchase	114,957	-
Employee Advance	4,252,800	-

Deposits:

	30,783,259	25,719,477
Earnest Money	231,353	232,353
Security Deposit	2,924,395	2,831,009
Bank Guarantee Margin	19,606,290	19,606,290
VAT Current Account	146,216	532,478
Lease Deposit	7,875,005	2,517,347

Total:

325,215,243	181,696,079
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12.1 Advance Income Tax

Opening Balance	68,592,985	35,843,692
Add: Addition during the year	26,285,030	32,749,293
	94,878,015	68,592,985
Less: AIT Adjust during the year	14,677,306	-
Closing Balance	80,200,709	68,592,985

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.



		Amount in BDT	
		2011	2010
13. Fixed Deposit with Banks (Annexure B)			
Basic Bank Ltd. ,Dhanmondi Branch, Dhaka		106,740,000	100,000,000
Southeast Bank Ltd., Satmashjid Road Branch, Dhaka		108,775,000	100,000,000
Agrani Bank, WASA Branch, Dhaka		107,180,000	100,000,000
United Commercial Bank, Mohammadpur, Dhaka		21,035,000	10,000,000
Social Islami Bank Ltd., Principal Branch, Dhaka.		2,000,000	250,000,000
Social Islami Bank Ltd., Principal Branch, Dhaka.		-	250,000,000
		345,730,000	810,000,000
14. Cash and Cash Equivalents			
Cash in Hand (14.1)		7,006,992	7,907,291
Cash at Brokerage House (14.2)		89,548	97,767
Balance with Banks on Account (Annex-C)		30,680,268	1,510,422,124
Short Term Deposit Account		19,633,432	43,593,892
Current Account		11,046,836	1,466,828,232
Total:		37,776,808	1,518,427,182
14.01 Cash in Hand			
Head Office		5,078,571	5,491,441
Depot Office		1,928,421	2,415,850
		7,006,992	7,907,291
14.02 Cash at Brokerage House			
Bank Asia Securities Ltd.		63,409	69,445
Island Securities Ltd.		26,139	28,322
Total:		89,548	97,767
15. Share Capital			
<u>Authorized Capital</u>			
50,00,00,000 Ordinary Shares of Tk. 10 each		5,000,000,000	5,000,000,000
<u>Subscribed and Paid-up Capital</u>			
15,50,00,000 Ordinary Shares of Tk. 10 each		1,550,000,000	1,550,000,000
16 Reserves			
Fair Value Gain on Investment in Associates		207,515,233	-
Fair Value Loss on Marketable Securities		(42,711,294)	7,326,693
Revaluation surplus on Property, Plant and Equipment		1,675,826,212	420,343,375
		1,840,630,151	427,670,068
17 Employee Benefits Provision			
Contributory Provident Fund		79,187,826	72,236,025
Employee Welfare Fund		1,656,730	1,591,919
Workers Profit Participation Fund (17.01)		52,427,992	9,762,417
Total:		133,272,548	83,590,361
17.01 Workers Profit Participation Fund			
Opening Balance		9,762,417	-
Add: Addition for the year		41,933,394	9,762,417
Add: Interest @ 7.5%		732,181	-
		52,427,992	9,762,417



18 Deferred Tax Liability

Particular	Tax base	Accounting base	Taxable Temporary Difference	Deferred tax Liability 2011
Written Down Value of Fixed Assets	187,452,232	229,408,621	(41,956,389)	(15,733,646)

Deferred Tax Expenses for 2011

Closing Deferred tax Liability	15,733,646
Opening Deferred tax Liability	9,449,494
	6,284,151

Particular	Tax base	Accounting base	Taxable Temporary Difference	Deferred tax Liability 2010
Written Down Value of Fixed Assets	104,582,551	129,781,202	(25,198,651)	(9,449,494)

Deferred Tax Expenses for 2010

Closing Deferred tax Liability	9,449,494
Opening Deferred tax Liability	13,346,412
	(3,896,917)

Particular	Tax base	Accounting base	Taxable Temporary Difference	Deferred tax Liability 2009
Written Down Value of Fixed Assets	89,191,587	124,782,018	(35,590,431)	(13,346,412)

19. Short Term Loans

	Amount in BDT	
	2011	2010
LIM, Agrani Bank Ltd. (WASA Corp., Branch, Dhaka)	46,082,691	40,616,884
Cash Credit (H) - 48, Agrani Bank Ltd. (WASA Corp., Branch, Dhaka)	258,301,943	364,778
Cash Credit (P) - 527, Agrani Bank Ltd. (WASA Corp., Branch, Dhaka)	60,018,944	58,923,278
Loan from Contributory Provident Fund	25,007,958	26,697,216
Loan Against purchase of marketable securities	37,054,055	32,153,424
Total:	426,465,591	158,755,580

20. Trade and Other Creditors

Goods Suppliers & Manufacturer	123,652,384	72,003,847
Other Payable (Note-20.1)	165,082,986	7,792,539
Total:	288,735,370	79,796,386

20.1 Other Payable

Withholding Tax	36,164,762	7,792,539
Withholding VAT	973,073	-
Others	127,945,151	-
Total:	165,082,986	7,792,539

These are unsecured, payable within one year.



Amount in BDT	
2011	2010

21. Accrued Expenses

Salary and Wages payable	40,072,254	31,247,558
Depot Expenses Payable	2,085,836	1,893,752
Director Remuneration Payable	1,698,788	2,825,000
Office rent payable	540,700	500,575
Mobile bill payable	773,450	779,596
Payable for final settlement of employee	2,473,977	2,083,421
Utilities Payable	684,305	558,969
Audit Fee	500,000	500,000
Provision for Income Tax (21.1)	471,589,061	175,000,000
Motorcycle Expenses	741,551	878,022
Other Expenses	52,250	-
	521,212,172	216,266,893

21.1 Provision for Income Tax

Opening Balance	175,000,000	30,000,000
Add: Addition during the year	311,266,367	145,000,000
Less: AIT Adjusted during the year	(14,677,306)	-
Less: Payment during the year	-	-
	471,589,061	175,000,000

22. Revenue (Turnover) from Net Sales

Local Sales	1,739,984,994	1,384,693,582
Export Sales	22,608,869	27,308,770
Total (Turnover) from Net Sales	1,762,593,863	1,412,002,352

23. Cost of Goods Sold

Raw Materials consumed (23.1)	423,830,671	363,420,325
Packing Materials consumed (23.2)	184,290,585	143,038,704
Work In Process - Opening	11,483,424	5,104,559
Work In Process - Closing	(10,533,128)	(11,483,424)
Total Consumption	609,071,552	500,080,164
Factory Overhead Expenses (23.3)	147,597,358	122,596,174
Cost of Goods Manufactured	756,668,910	622,676,338
Add: Opening Stock of Finished Goods	67,133,308	64,046,683
Cost of Goods Available for Sale	823,802,218	686,723,021
Less: Closing Stock of Finished Goods	75,677,269	67,133,308
Less: Cost of Physician Sample	5,948,688	7,066,706
Cost of Goods Sold	742,176,261	612,523,007

Materials consumed include imported materials at 76.83 % of the total (2010 80.92%).

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

23.1 Raw Materials Consumed

Opening Stock	92,069,757	55,352,222
Add: Purchase during the year	453,132,742	400,137,860
Goods Available for use	545,202,499	455,490,082
Less: Closing Stock	121,371,828	92,069,757
Consumed during the year	423,830,671	363,420,325

23.2 Packing Materials Consumed

Opening Stock	27,346,776	31,994,538
Add: Purchase during the year	204,459,285	138,390,942
Goods Available for use	231,806,061	170,385,480
Less: Closing Stock	47,515,476	27,346,776
Consumed during the year	184,290,585	143,038,704



Amount in BDT	
2011	2010

23.3 Factory Overhead Expenses

Salary, Wages & Other Allowances	63,202,426	45,458,455
Utilities	5,262,071	4,864,051
Repairs & Maintenance	14,250,775	8,419,397
Fuel & Lubricants	8,052,382	4,201,753
Printing & Stationery	5,248,703	3,478,091
Traveling & Conveyance	3,127,563	1,927,852
Entertainment	222,768	30,871
Workers' Food Expenses	15,180,449	11,053,669
Uniform, Liveries & Others	778,066	509,058
Cleaning & Washing	418,157	298,082
Carrying Inward	416,942	171,820
Telephone & Postage	679,986	614,280
Research & Development	170,259	853,710
Miscellaneous Expenses	80,622	2,038,393
Insurance Premium	210,668	899,415
Fees & Taxes	260,263	347,475
Spare Parts	1,633,221	2,281,415
Depreciation (Notes-5.1)	26,309,340	33,572,387
Godown Rent	962,500	1,576,000
Lease Rent	1,130,197	-
Total:	147,597,358	122,596,174

24. General & Administrative Expenses

Salaries, Allowance & Bonus	48,102,197	35,242,246
Director's Remuneration	17,220,000	12,900,000
Printing & Stationery	4,680,444	4,325,887
Office Rent	681,000	-
Postages, Telephone & Fax	4,663,615	3,827,398
Fees and Taxes	630,220	151,450
Fooding & Other Expenses	6,933,227	5,158,752
Audit Fees	1,000,000	500,000
News Paper & Periodicals	91,252	71,028
Fuel & Lubricants	5,667,684	4,823,967
Repairs & Maintenance	4,933,189	3,271,603
Traveling & Conveyance	4,300,296	3,581,016
Insurance Premium	1,744,959	1,512,869
Software Consultancy & Other Fees	1,672,250	1,222,260
Miscellaneous Expenses	1,416,591	1,009,979
Depreciation (Notes-5.1)	6,600,087	4,199,293
Overseas Travel & Training Expenses	3,332,103	2,343,490
Bank Charges & Commission	1,140,162	1,017,600
Entertainment	1,945,067	-
AGM Expenses	660,117	-
Utility	3,068,908	3,037,397
Security Guard Expenses	-	287,729
Total:	120,483,368	88,483,964

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



25. Selling & Distribution Expenses

Amount in BDT		
	2011	2010
Salaries, Allowance & Bonus	249,792,372	208,245,046
Field Force TA/DA	48,617,431	42,214,362
Printing & Stationary	7,378,863	6,870,917
Postages, Telephone & Fax	9,327,603	8,623,179
Fooding Expenses	1,827,088	1,902,551
Product Renewal & Development	3,120,652	2,549,874
Training & Conference	6,540,822	4,421,106
Office Rent (Depot)	4,050,325	3,270,458
Repair & Maintenance	5,818,369	4,456,294
Traveling & Conveyance	4,405,691	3,141,125
Bank Charges & Commission	1,222,496	1,152,725
Carrying & Distribution Expenses	26,111,146	22,919,751
Promotional Materials	21,050,662	17,365,127
Sales Discount to retailers	2,254,321	3,354,630
Sample Expenses	10,038,899	7,066,706
Miscellaneous Expenses	1,013,003	1,312,056
Depreciation (Notes-5.1)	4,766,276	1,758,328
Lease Rent	8,921,971	1,378,388
Fuel & Lubricants	1,262,391	3,812,675
Overseas Traveling & Training	2,153,863	1,732,854
Market Survey	3,300,000	1,650,000
Security Guard Exp.	1,532,117	-
Utility	1,137,223	1,012,305
Insurance Premium	2,318,617	1,236,380
Advertisement & Publicity	5,581,400	2,526,876

Total:**433,543,601 353,973,713**

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

26. Financial Expenses**Financial Expenses**

Cash Credit (P) - 527, Agrani Bank Ltd.(WASA Corpt.Branch,Dhaka)	7,637,770	4,572,489
Cash Credit (H) - 48, Agrani Bank Ltd (WASA Corp.. Branch, Dhaka)	1,945,204	11,971,353
Project Loan, Agrani Bank Ltd.(WASA Corp.. Branch, Dhaka)	-	1,115,682
SABINCO	-	2,297
Agrani Bank Ltd. -LIM (WASA Corp.. Branch, Dhaka)	2,369,110	1,688,384
Interest on portfolio credit	5,073,476	-
Interest on Contributory Provident Fund	12,275,198	10,695,020
	29,300,758	30,045,225



27. Interest & Other Income**Interest Income**

Interest on FDR
Interest on IEL Consortium & Associates Ltd.
Interest on Dutch Bangla Power & Associates Ltd.
Interest on Orion Knit Textile Ltd.
Interest on Belhasa Accom and Associates Ltd.
Panbo Bangla Mushroom Ltd.
Bank Interest

Other Income

Profit from sale of fixed assets
Sale of Scrap
Capital gain on sale of Securities
Dividend Income

Amount in BDT	
2011	2010
437,951,609	132,019,950
42,852,000	16,140,829
124,358,559	68,399,500
104,212,810	35,018,854
38,222,404	10,595,065
96,197,616	-
30,775,627	-
1,332,593	1,865,702
5,559,798	8,684,398
2,276,000	-
1,677,980	496,633
999,328	1,931,765
606,490	6,256,000
443,511,407	140,704,348

28. Earning Per Share (EPS)

The computation is given below:

EPS on Continuing Operation

Net Profit after Tax
Less: Capital Gain on Marketable Securities
Profit Continuing Operation
Ordinary shares outstanding during the year

EPS on Non Operating Income

Capital Gain on Marketable Securities
Ordinary shares outstanding during the year

EPS on Comprehensive Income

Comprehensive Income
Ordinary shares outstanding during the year

Basic EPS on Total Comprehensive Income

526,112,308	316,815,291
999,328	1,931,765
525,112,980	314,883,526
155,000,000	53,424,657
3.39	5.89
999,328	1,931,765
155,000,000	53,424,657
0.01	0.04
1,431,316,747	7,326,693
155,000,000	53,424,657
9.23	0.14
12.63	6.07

During the year no share was not issued so no of shares have not been weighted.

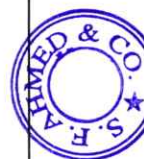


29. Related Party Transactions

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 31 December 2011 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.01.2011	Addition	Adjustment	Closing Balance as on 31.12.2011
Orion Infusion Limited (44,30,000 Ordinary Shares @ Tk. 10 each)	Associate	Investment in Shares	44,300,000	-	-	44,300,000
Orion Holding Limited (99,60,000 Ordinary Shares @ Tk. 10 each)	Subsidiary	Investment in Shares	99,600,000	-	-	99,600,000
Integral Energy Limited (2,10,000 Ordinary Shares @ Tk. 100 Each as share capital)	Subsidiary	Investment in Shares	21,000,000	-	-	21,000,000
Dutch Bangla Power & Associates Ltd. (6,700,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	1,125,000	65,875,000	-	67,000,000
IEL Consortium & Associates Ltd. (95,000,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	-	950,000,000	-	950,000,000
Orion Biocare Ltd. (49,50,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	-	49,500,000	-	49,500,000
Orion Natural care Ltd. (9,50,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	-	9,500,000	-	9,500,000
Orion Agro Product Ltd. (9,000,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	-	90,000,000	-	90,000,000
Orion Capital Ltd. (8,000,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	-	80,000,000	-	80,000,000
Advance against Share Money with Integral Energy Limited	Subsidiary	Share Money Deposit	2,800,000	-	2,800,000	-
Advance against Share Money with Bon Consortium Power Company Ltd.	Common Director/ Shareholders	Share Money Deposit	237,105,000	-	237,105,000	-
Advance against Share Money with Orion Hospital Projects	Common Director/ Shareholders	Share Money Deposit	278,445,000		278,445,000	-

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.01.2011	Addition	Adjustment	Closing Balance as on 31.12.2011
Advance against Share Money with Panbo Bangla Mushroom Ltd.	Common Director/ Shareholders	Share Money Deposit	124,938,000	-	124,938,000	-
Orion Agro Product Ltd.	Subsidiary	Share Money Deposit	103,497,000	58,651,500	-	162,148,500
Advance against Share Money with Orion Knit Textiles Ltd.	Common Director/ Shareholders	Share Money Deposit	160,000,000	-	160,000,000	-
Dutch Bangla Power & Associates Ltd.	Subsidiary	Share Money Deposit	-	280,000,000	-	280,000,000
Digital Power & Associates Ltd.	Common Director/ Shareholders	Share Money Deposit	-	150,000,000	-	150,000,000
Advance against Share Money with Consortium of BAJVL & Associates	Common Director/ Shareholders	Share Money Deposit	22,100,000	-	-	22,100,000
IEL Consortium & Associates Ltd.	Subsidiary	Interest Bearing Investment	2,272,999,500	-	2,272,999,500	-
Belhasa Accom & Associates Ltd.	Common Director/ Shareholders	Interest Bearing Investment	461,068,065	2,154,024,811	-	2,615,092,876
Dutch Bangla Power & Associates Ltd.	Subsidiary	Interest Bearing Investment	1,374,234,854	-	1,374,234,854	-
Panbo Bangla Mushroom Ltd.	Common Director/ Shareholders	Interest Bearing Investment	-	379,308,815	-	379,308,815
Orion Knit Textiles Ltd.	Common Director/ Shareholders	Interest Bearing Investment	-	295,106,772	-	295,106,772
Orion Holdings Ltd.	Subsidiary	Inter- company Current Account	-	30,836,565	-	30,836,565
Integral Energy Ltd.	Subsidiary	Inter- company Current Account	-	3,327,124	-	3,327,124
IEL Consortium & Associates Ltd.	Subsidiary	Inter- company Current Account	-	140,109,411	-	140,109,411



Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.01.2011	Addition	Adjustment	Closing Balance as on 31.12.2011
Orion Natural Care Ltd.	Subsidiary	Inter- company Current Account	-	3,626,432	-	3,626,432
Orion Bio Care Ltd	Subsidiary	Inter- company Current Account	-	35,152,128	-	35,152,128
Dutch Bangla Power & Associate Ltd.	Subsidiary	Inter- company Current Account	-	1,343,712,869	-	1,343,712,869
Orion Capital Ltd.	Subsidiary	Inter- company Current Account	-	224,950	-	224,950
Orion Infusion Limited.	Associate	Inter Company Current A/C	266,127,516	-	40,083,608	226,043,908
Orion Properties Ltd.	Common Director/ Shareholders	Inter Company Current A/C	19,740,816	101,638	-	19,842,454
Belhasa Accom JV Ltd.	Common Director/ Shareholders	Inter- company Current Account	16,198,680	7,326,612	-	23,525,292
Jafflong Tea Company	Common Director/ Shareholders	Inter- company Current Account	56,529,587	6,099,018	-	62,628,605
Orion Consortium & Associates Ltd.	Common Director/ Shareholders	Inter- company Current Account	-	13,450,050	-	13,450,050
Total:			5,561,809,018	6,145,933,695	4,490,605,962	7,217,136,751



No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the half-year to the directors, including managing directors, a managing agent or manager	17,220,000
(b)	Expenses reimbursed to Managing Agent	-
(c)	Commission or Remuneration payable separately to a managing agent or his associate	-
(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	-
(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.	-
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-
(g)	Other allowances and commission including guarantee commission	-
(h)	Pensions etc.	-
	(i) Pensions	-
	(ii) Gratuities	-
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-
(i)	Share Based payments	-



Amount in BDT 31.12.2011	Amount in BDT 31.12.2010
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30. Production Capacity:

Production capacity Million in Box/Phile	37	32
Actual Production Million in Box/Phile	26.41	21.21
Capacity Utilized Million in Box/Phile	71.37%	66.28%

Reason for Increase : Production as per market demand.

31. General:

31.01 Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided as on 31.12.2011.

There is no material capital expenditure authorized by the board but not contracted for as on 31.12.2011.

31.02 Claims not Acknowledged

There is no claim against the Company not acknowledged as debt as on 31.12.2011

31.03 Credit Facilities not Availed

There is no credit facilities available to the Company but not availed of as on 31.12.2011 under any contract, other than trade credit available in the ordinary course of business.

31.04 Directors' Responsibility Statements

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

31.05 Employee Details

i) During the period, there were 1972 employees employed for the full year and 910 employees less than the full year at a remuneration of Taka 3,000 per month and above.

ii) At the end of the period, there were 2377 employees in the Company.

31.06 Rounding off

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

31.07 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



Annexure-A

Investment on Marketable Securities

Particulars	2011		Amount in BDT
	Market Value	Cost	2010
AB Investment Ltd.			
Apex Adelchi Footwear Ltd.	8,808,910	12,000,686	12,006,310
Apex Tannery Ltd.	134,500	217,509	181,450
Bangladesh Export- Import Ltd.	2,398,500	3,267,988	3,115,000
Bangladesh Thai Aluminum Ltd.	812,187	1,083,780	1,245,750
Bank Asia Limited.	1,844,850	2,046,438	2,572,500
Bay Leasing & Investment Ltd.	2,685,375	3,372,130	4,389,375
Fareast Islami Life Insurance Ltd.	1,141,700	1,410,469	1,405,950
Fidelity Assets & Securities Ltd.	1,132,175	1,993,942	1,824,500
Green Delta Insurance Co Ltd.	2,785,500	4,750,132	4,897,500
Heidelberg Cement Bangladesh Ltd.	91,583	115,001	109,778
I.F.I.C Bank Ltd.	2,403,158	3,969,970	4,262,250
ICB AMCL 2nd NRB Mutual Fund	1,767,500	2,360,709	2,577,500
Islamic Finance & Investment Ltd.	1,085,180	1,601,636	1,866,500
Karnafuli Insurance Co.Ltd.	676,800	1,097,799	980,000
Mithun Knitting and Dyeing Ltd.	3,217,507	2,931,038	4,553,313
N C C Bank.Ltd.	1,267,200	1,564,958	2,064,000
National Tea Company Ltd.	1,484,700	1,742,757	1,736,100
Progressive Life Insurance Ltd.	1,641,600	1,590,096	1,978,800
R.N Spinning Mills Ltd.	3,630,900	3,960,564	4,189,500
Reliance Insurance Ltd.	3,900,656	4,588,504	4,345,625
Rupali Life Insurance Co. Ltd.	12,113,850	11,154,003	13,862,100
Samorita Hospital Ltd.	3,536,250	4,680,575	4,440,750
Shinepukur Ceramics Ltd.	2,972,750	4,651,223	5,475,000
The Ibn Sina Pharmaceuticals Ltd.	7,924,254	7,591,109	7,981,805
Trust Bank Limited	2,437,500	3,283,543	3,766,250
Sub-Total	71,895,084	87,026,558	95,827,605

Southeast Bank Capital Services Ltd.

Green Delta Mutual Fund (Placement)	5,000,000	5,000,000	5,000,000
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Particulars	2011		2010
	Market Value	Cost	
ISLAND SECURITIES LTD.			
AIMS Mutual Fund	34,500	51,600	1,832,000
Anwar Galvanizing Ltd.	1,260,000	1,558,160	3,797,500
Beach Hechary BH Ltd	2,109,100	2,975,682	549,000
Desh Garments Ltd.	637,500	465,700	696,750
Eastern Housing Ltd	516,450	1,000,158	953,000
Fine Foods Ltd FIN	1,742,500	2,515,500	1,648,650
Fu-Wang Ceramics Ltd.	1,203,500	1,580,007	2,256,000
Hakkani pulp & Paper	238,150	312,620	362,450
Imam Button Industries Ltd.	200,337	214,345	295,875
Maksons Spinning Mills Ltd.	105,000	130,325	687,800
Mithun Knitting & Dyeing (CEPZ) Ltd.	550,500	740,224	984,200
Quasem Drycells Ltd.	167,800	209,780	1,744,000
Rahima Food Industries Ltd.	843,000	1,344,860	6,526,800
Rupali Bank Ltd	1,616,175	1,989,746	-
Sinobangla Industries Ltd.	92,200	133,980	-
Social Islami Bank Ltd.	7,010,640	7,078,050	-
Sub-Total	18,327,352	22,300,737	22,334,025
Bank Asia Securities Ltd.			
Beach Hatchery Ltd.	1,299,500	2,148,430	2,150,000
Pragati Insurance Limited	679,140	1,193,875	1,089,900
Grameen Mutual Fund	-	-	3,141,000
Fu-Wang Ceramic Industries Ltd.	1,029,375	1,530,825	1,426,875
Active Fine Chemicals	830,300	1,521,680	1,193,000
Pubali Bank Ltd.	-	-	868,250
Islami Bank Bangladesh Ltd.	1,264,275	1,457,622	1,601,000
Shinepukur Ceramics Ltd.	1,783,650	3,126,735	3,285,000
Lafarge Surma Cement Ltd.	-	1,312,380	1,127,500
Rahima Food Ltd.	1,922,000	3,015,080	2,775,000
Prime Textile Mills Ltd.	788,250	1,327,770	1,219,500
Fine Foods Ltd.	645,000	1,224,500	972,000
Eastern Housing Ltd.	1,723,000	3,547,580	2,832,000
Anwar Galvanising Ltd.	1,615,900	2,261,688	2,048,200
Trust Bank Ltd.	975,000	1,435,296	1,506,500
Kay & Que (Bangladesh) Ltd.	782,470	1,116,507	913,500
Rupali Bank Ltd.	825,000	915,937	-
Anlima Yarn and Dyeing Ltd.	3,693,250	3,386,740	-
Sub-Total	19,856,110	30,522,645	28,149,225
ICB Islami Bank Limited	246,000	246,000	246,000
Total:	115,324,546	145,095,940	151,556,855



Annexure - B

ORION PHARMA LIMITED
Statement of Interest Receivable on FDR
For the year ended 31 December 2011

Amount in BDT

Sl. No.	Name of Bank	Instrument no.	FDR 2010	Interest Income		FDR 2011
				Income During the year	Accrued for the year	
1	Social Islami Bank Ltd.	0025320242035	250,000,000	8,117,900	-	-
2	Social Islami Bank Ltd.	0025320242041	250,000,000	8,117,900	-	-
3	Social Islami Bank Ltd.		-	48,666	48,666	2,000,000
4	Southeast Bank Ltd.	005324500000069	100,000,000	9,878,828	2,268,411	108,775,000
5	BASIC Bank Limited	2818-01-0001077	100,000,000	7,620,759	1,912,425	106,740,000
6	United Commercial Bank Ltd.	005041300021771	10,000,000	1,140,418	-	10,000,000
7	United Commercial Bank Ltd.		-	-	-	11,035,000
8	Agrani Bank Ltd.	0089094/116-8	100,000,000	7,927,529	1,571,973	107,180,000
Total:			810,000,000	42,852,000	5,801,475	345,730,000



Annexure-C**Cash at Bank (Current Account)****ORION PHARMA LIMITED****As at December 31, 2011**

Sl. No.	Name Of Bank	Name Of Branch	Account Number	Amount in BDT 31.12.2011	Amount in BDT 31.12. 2010
Current Account (Main)					
1	Pubali Bank Ltd.	Tejgaon Branch, Dhaka	125	43,437	75,219
2	Jamuna Bank Ltd.	Mohakhali Branch	4751	1,785	6,500
3	Sonali Bank Ltd.	Tejgaon Branch, Dhaka	275/4	655,191	778,596
4	Agrani Bank Ltd	Tejgaon Branch, Dhaka	11437	638,128	116,861
5	Agrani Bank Ltd.	Wasa Branch, Dhaka	7757	634,674	1,794,724
6	Rupali Bank Ltd.	TCB Branch, Dhaka	7088	395,655	89,288
7	National Bank Ltd.	Mohakhali Branch, Dhaka	7329/5	6,927	2,603,737
8	National Bank Ltd.	Kawran Bazar Branch, Dhaka	3756	-	1,085
9	ICB Islamic Bank	Principal Office, Dhaka	2127	2,916,462	2,918,462
10	Mercantile Bank Ltd.	Kawranbazar Branch	3756		101
11	Exim Bank Ltd.	Motijheel Branch, Dhaka	3287	7,627	16,927
12	The City Bank Limited	Gulshan Branch	32526	10,465	11,845
13	HSBC Bank Ltd.	Gulshan Branch	003-097706-011	200,413	200,413
14	Bank Al-Falah Ltd.	Motijheel Branch	2965	8,500	8,500
15	Sutheast Bank Ltd.	Satmasjid Road Branch	111002	4,126	5,276
16	Agrani Bank Ltd.	Principal Branch	15118-1	24,099	1,372,899,869
17	Social Islami Bank Ltd	Principal Branch	5583-0	2,624,412	82,944,094
Current Account (Collection)					
18	Agrani Bank Ltd.	Chittagong Branch, Chittagong	363	15,979	15,979
19	Agrani Bank Ltd.	Bogra Branch, Bogra	1233	11,659	14,314
20	Agrani Bank Ltd.	Khulna Branch, Khulna	3228	50,868	165,203
21	Agrani Bank Ltd.	Barisal Branch, Barisal	1804	318	318
22	Agrani Bank Ltd.	Sylhet	1866 /1314	7,303	9,398
23	Agrani Bank Ltd.	Narayongong	6103	142,479	269,273
24	Agrani Bank Ltd.	Mymensingh Branch, Mymensingh	6076	-	307
25	Agrani Bank Ltd.	Rangpur Branch, Rangpur	4405	68	2,074



Sl. No.	Name Of Bank	Name Of Branch	Account Number	Amount in BDT 31.12.2011	Amount in BDT 31.12. 2010
26	Agrani Bank Ltd.	Monoharpur Branch, Comilla	5304	70	70
27	Agrani Bank Ltd.	Faridpur Branch, Faridpur	7539	3,702	170,197
28	National Bank Ltd.	Bogra Branch, Bogra	2743-5	214,284	152,938
29	National Bank Ltd.	K.D.A. Branch, Khulna	259	-	75
30	National Bank Ltd.	Barisal Branch, Barisal	2859-9	261,638	127,844
31	National Bank Ltd.	Subid Bazar Branch, Syl.	3093	336,085	43,177
32	National Bank Ltd.	Mymensingh Branch	1298	443,014	496,230
33	National Bank Ltd.	Rangpur Branch, Rangpur	39447	118,663	3,809
34	National Bank Ltd.	Babu Bazar Branch, Dhaka	2378	28,011	28,011
35	National Bank Ltd.	Faridpur Branch, Faridpur	1234	-	1,892
36	Sonali Bank Ltd.	Rajshahi	1546	15,739	450
37	Agrani Bank Ltd.	Chowmuhan Branch,	3563	218,451	31,800
38	ICB Islamic Bank	Chittagong	2978	13,744	15,386
39	National Bank Ltd.	Goneshtala Road, Dinajpur	8733	179,143	56,714
40	National Bank Ltd.	Tangail	3233	181,703	33,885
41	National Bank Ltd.	Moulvibazar	1175-6	22,689	95,122
42	Agrani Bank Ltd.	Kustia	2983	64,608	104,145
43	National Bank Ltd.	Cox's Bazar	1 3962	32,074	18,495
44	Agrani Bank Ltd.	BSCIC Comilla	4275	320,278	347,494
45	National Bank Ltd.	CDA, Chittagong	556	192,366	152,137
Sub-Total (i)				11,046,836	1,466,828,232
STD Account					
1	ICB Islamic Bank			4,589,668	4,595,868
2	National Bank Ltd.	Mohakhali Branch	789	1,051,391	6,996,858
3	Bank Asia Ltd.	Mohakhali Branch	0038	283,028	558,261
4	Agrani Bank Ltd.	WASA Branch	949	275,773	31,442,906
5	Social Islami Bank Ltd	Pr. Branch	1464	13,433,572	-
Sub-Total:				19,633,432	43,593,892
Total balance in Current & STD account:				30,680,268	1,510,422,124

