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**P R I V A T E
A N D
C O N F I D E N T I A L**

**AUDITORS' REPORT
&
FINANCIAL STATEMENTS
OF**

**ORION INFUSION LIMITED
ORION HOUSE
153-154, TEJGAON INDUSTRIAL AREA,
DHAKA BANGLADESH.
FOR THE YEAR ENDED 30TH JUNE, 2008**

**এ, মতীন এন্ড কোং
A. MATIN & CO.
CHARTERED ACCOUNTANTS
91, KAKRAIL, (3RD FLOOR), FLAT NO.-08
DHAKA- 1000, BANGLADESH.**



AUDITORS' REPORT

TO THE SHAREHOLDERS OF ORION INFUSION LIMITED.

We have audited the financial statement of **ORION INFUSION LIMITED** comprising of **Balance Sheet as at 30th June 2008, and Profit & Loss Account, Statement of Changes in Equity and Cash Flow Statement** for the year then ended with related notes. The preparation of financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) give a true and fair view of the states of the company's affairs as at June, 30, 2008 and the result of its operation and its Cash flow for the year then ended and comply with the applicable sections of the Company Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that,

- a) we have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's balance sheet and Profit & Loss account dealt with by the report are in agreement with the books of account: and
- d) the expenditures incurred were for the purpose of the company's business.

Dated : Dhaka,
October 15, 2008


A. MATIN & CO.
Chartered Accountants.



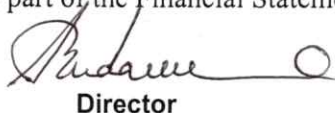
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A. MATIN & CO.
Chartered Accountants

ORION INFUSION LIMITED
BALANCE SHEET
AS AT JUNE 30, 2008

	<u>Notes</u>	<u>Amount in Taka</u> <u>30.06.2008</u>	<u>Amount in Taka</u> <u>30.06.2007</u>
<u>ASSETS</u>			
Non-Current Assets:		329,550,600	347,592,573
Property, Plant & Equipment	14	253,725,605	271,767,578
Investment	15	75,824,995	75,824,995
Current Assets:		199,170,170	161,582,440
Inventories	16	94,574,012	93,379,046
Accounts Receivables	17	48,739,179	31,931,562
Advance, Deposit & Prepayments	18	50,120,510	31,659,097
Cash and Cash Equivalents	19	5,736,469	4,612,735
Profit & Loss Account:			
Accumulated Loss		183,739,908	221,622,225
Total		712,460,678	730,797,238
<u>EQUITY AND LIABILITIES</u>			
Share Capital			
Issued Capital	20	203,597,600	203,597,600
Non-Current Liabilities:		267,449,504	298,186,132
Long Term Borrowings- Secured	21	237,871,947	289,289,432
Liabilities for other Finance	22	29,577,557	8,896,700
Current Liabilities:		241,413,574	229,013,506
Short Term Borrowings - Secured	23	152,256,842	142,347,340
Inter Project Current Account	24	46,422,872	46,259,275
Creditors and Other Payables	25	24,743,916	23,812,945
Accrued Expenses	26	9,788,272	7,748,434
Dividend Payable	27	8,201,672	8,845,512
Total		712,460,678	730,797,238
Contingent Liabilities	28	37,798,752	37,798,752

The accompanying notes form an integral part of the Financial Statements.


Managing Director

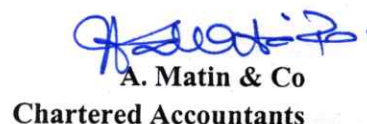

Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 15, 2008




A. Matin & Co
Chartered Accountants



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A. MATIN & CO.
Chartered Accountants

ORION INFUSION LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008


	<u>Notes</u>	<u>Amount in Taka</u> <u>30.06.2008</u>	<u>Amount in Taka</u> <u>30.06.2007</u>
Revenue (Turnover) from net sales	29	504,608,992	348,507,592
Cost of Goods Sold	30	(313,349,515)	(213,436,907)
Gross Profit		191,259,477	135,070,685
Operating Expenses		(119,626,046)	(86,900,543)
Administrative Expenses	31	(14,905,759)	(13,313,859)
Selling & Distribution Expenses	32	(104,720,287)	(73,586,684)
Profit from Operation		71,633,431	48,170,142
Financial Expenses	33	(32,110,221)	(34,151,691)
Non Operative Income	34	263,223	412,680
Profit before W.P.P.F. for the year		39,786,433	14,431,131
Contribute to Workers' Profit Participation Fund		(1,904,116)	(687,197)
Net Profit before Income Tax		37,882,317	13,743,934
Profit/(Loss) brought forward	35	(221,622,225)	(235,366,159)
Profit/(Loss) carried forward		(183,739,908)	(221,622,225)
Earnings Per Share (of Tk.100 each)		18.61	6.75
Number of Shares used to compute EPS		2,035,976	2,035,976

Figures in brackets indicate negative figure.

The accompanying notes form an integral part of these Financial Statements.


Managing Director



Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 15, 2008




A. MATIN & Co
Chartered Accountants



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A. MATIN & CO.
Chartered Accountants

ORION INFUSION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Notes</u>	<u>Amount in Taka</u> <u>30.06.2008</u>	<u>Amount in Taka</u> <u>30.06.2007</u>
Issued Capital	20	203,597,600	203,597,600
Retained Earnings :			
Net Accumulated Profit/(Loss) up to June 30, 2007		(221,622,225)	(235,366,159)
Net Profit/(Loss) for the year		37,882,317	13,743,934
Net Accumulated Profit/(Loss) up to June 30, 2008 (Balance transferred to Balance Sheet)		(183,739,908)	(221,622,225)
Shareholders' Equity at the end of the year		19,857,692	(18,024,625)
Number of Ordinary Shares		2,035,976	2,035,976
Face Value Per Share		100.00	100.00
Shareholders' Equity Per Share		9.75	(8.85)

Figures in brackets indicate negative figure.

The accompanying notes form an integral part of these Financial Statements.


Managing Director

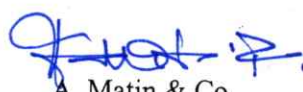

Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 15, 2008




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ORION INFUSION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

<u>Notes</u>	<u>Amount in Taka</u> <u>30.06.2008</u>	<u>Amount in Taka</u> <u>30.06.2007</u>
Cash Flows from Operating Activities :		
Cash received from Customers	487,801,375	350,401,580
Cash paid to Suppliers and Employees	(439,263,173)	(329,519,332)
Cash Generated from Operation	48,538,202	20,882,248
Other income	263,223	412,680
Income Tax - Deducted at Source	(4,924,294)	(3,790,321)
Net Cash Generated/(Used) from Operating Activities	43,877,131	17,504,607
Cash Flows from Investing Activities :		
Acquisition of Property, Plant & Equipment	(765,171)	(2,930,519)
Investment Liquidate (Net)	-	-
Net Cash Received/(Used) in Investing Activities	(765,171)	(2,930,519)
Cash Flows from Financing Activities :		
Received from Associated Companies	163,597	38,224,239
Dividend Paid	(643,840)	(9,462,828)
Bank Loans Received / (Repaid)	(41,507,983)	(45,792,420)
Net Cash Received/(Used) in Financing Activities	(41,988,226)	(17,031,009)
Net Increase /(Decrease) in Cash & Cash Equivalents	1,123,734	(2,456,921)
Cash & Cash Equivalents at the beginning of the year	4,612,735	7,069,656
Cash & Cash Equivalents at the End of the Year	5,736,469	4,612,735

Figures in brackets indicate negative figures.
The accompanying notes form an integral part of these Financial Statements.


Managing Director


Director


Company Secretary

Signed in terms of our report of even date annexed.

Place : Dhaka
Dated: October 15, 2008




A. MATIN & Co
Chartered Accountants



ORION INFUSION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AS AT JUNE 30, 2008**

1. Statutory Background of the Company and Overview of Operational Activities

Orion Infusion Limited is a public company limited by shares incorporated in Bangladesh on May 05, 1983 and is now operating under the control of the Orion Group. Other shareholders of the company are general public including financial institutions and foreign investors.

The shares of the company are listed both with the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the company is located at Orion House, 153-154, Tejgoan Industrial Area Dhaka-1208. The industrial units are located in Maikuli, Rupganj, Narayongonj.

The company also owns an intravenous (I.V.) fluid project for production of life saving Injectable and other allied products.

The Company also provides contract-manufacturing services.

2. Components of the Financial Statements

- (i) Balance Sheet as at June 30, 2008;
- (ii) Profit and Loss Account for the year ended June 30, 2008;
- (iii) Statement of Changes in Equity for the year ended June 30, 2008;
- (iv) Cash Flow Statements for the year ended June 30, 2008; and
- (v) Notes to the Financial Statements as at June 30, 2008.

3. Basis of Presenting Financial Statements

The following underlying assumptions, measurement bases, laws, rules, regulations and accounting pronouncements have been considered in preparing and presenting the financial statements:

- On going concern
- Accrual
- Historical cost convention
- Generally accepted accounting principles and practices in Bangladesh
- The Companies Act, 1994
- The Securities and Exchange Rules, 1987
- The Securities and Exchange Ordinance, 1969
- The Listing Regulations of Dhaka and Chittagong Stock Exchanges and
- The Bangladesh Accounting Standards (BAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The Board of Directors is responsible for preparation and presentation of the financial statements, approval and authorization for issuance of these financial statements.

The preparation of financial statements in conformity with Bangladesh Accounting Standard requires the management to make estimates and assumptions that also affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of and during the reporting period.



4. **Adoption of Bangladesh Accounting Standards (BAS)**

In preparing and presenting these financial statements, significant accounting issues of the company, following BAS have been considered relevant and adopted by the company, which were issued by the ICAB, formulated in the light of the BAS and the conditions and practices prevailing in Bangladesh and valid as on the balance sheet date:

BAS	1	Presentation of Financial Statements
BAS	2	Inventories
BAS	7	Cash Flow Statements
BAS	8	Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies.
BAS	10	Events after the Balance Sheet date
BAS	16	Property, Plant & Equipment
BAS	18	Revenue
BAS	21	The effects of Changes in Foreign Exchange Rates
BAS	23	Borrowing Costs
BAS	33	Earnings Per Share

5. **Impact of recently Issued Accounting Standards**

There was no such impact on these financial statements as no new accounting standard was issued by the ICAB during the year under review.

6. **Critical Corporate Accounting Policies in Respect of Recognition and Valuation of Key Accounting Issues**

Following are the accounting policies relating to recognition and valuation of items in financial statements which are material and critical in determining the company's results of operations for the year and financial position as on the balance sheet date and are consistent with those adopted in the financial statements for the previous year:

(a) **Recognition of Income**

Sales are taken into accounts for preparation of invoices along with delivery of goods and represent the local sales less VAT.

(b) **Property, Plant and Equipment**

These are initially stated at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized, expenses capitalized also include pre-operational borrowing cost. Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the profit & loss account which is determined with reference to the net book value of the assets and the net sale proceeds.



(c) Depreciation

Land and Buildings are not held on freehold basis rather mortgaged to the bank. Land is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided using the straight-line method. The rate of depreciation is not applied as per the rate prescribed by the Income Tax Ordinance 1984, as a result current year's depreciation and the accumulated depreciation is under stated resulting in reflection of under statement of loss in the income statement.

The annual depreciation rates applicable to the principal categories are:

Freehold Buildings	2.5%
Leasehold Buildings	4%
Plant & Machinery	5%
PVC bag Manufacturing	5%
Furniture and Fixture	10%
Office Equipments	10%
Vehicles	20%

(d) Promotional Expenses

All cost associated with product promotion are generally spent in the year in which they are incurred.

(e) Borrowing Costs

Borrowing costs are charged as expenses for the year under review.

(f) Inventories

Inventories are 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) identified at the time of 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.

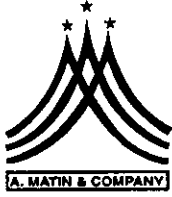
(g) Accounts Receivable

These are carried forward in the accounts at original invoice amount, which represents net realizable value only. This is considered good and realizable, and therefore, no amount was written off as bad debt and even no debt was considered doubtful to provide for in the accounts.

(h) Cash and Bank Balance

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by the company without any restriction, and there was insignificant risk of changes in value of these current assets.





(i) Other Current Assets

Other Current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount as are stated in the balance sheet.

(j) Income Taxes

The company has made profit during the year (2007-2008) under audit but during the year under audit no provision for income tax has been made due to previous year's accumulated losses. Income tax assessment for the assessment year 2007-2008 has not yet been finalized. Moreover, the company paid Tk. 4,924,294 as advance income tax (AIT) during the financial year and the accumulated AIT as on the closing date 30.06.08 is Tk.20,220,334.

(k) Employees' Provident Fund:

The company has established a system of contributory provident Fund. A separate Board of Trustee is administering the Fund.

(l) Other corporate Debt, Accounts Payable, Trade and other Liabilities

These liabilities are carried forward in the accounts at the anticipated settlement amount in respect of goods and services received whether or not billed by the supplier.

(m) Earnings per Share (EPS)

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

i) Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year had been considered as fully attributable to the ordinary shareholders.

ii) Weighted Average Number of Ordinary Shares Outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares is outstanding as a proportion of the total number of days in the period.

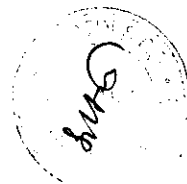
iii) Diluted Earnings per Share

No diluted EPS is calculated for the year, as there was no scope for dilution during the year under review.

(n) Foreign Currencies

Foreign Currency transactions are recorded at the applicable rates of exchange prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date.





(o) Cash Flow Statement

The cash flow statement has been prepared in accordance with the requirements of BAS 7 : Cash Flow Statements.

The cash generating from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules 1987 and as the branch mark treatment of BAS : 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

7. Concentrations

As of June 30, 2008, the Company does not have any significant concentration of business transaction with a particular customer, supplier or lender that could, if suddenly eliminated, severely impact the company's operations. The company also does not have a concentration of available sources of labor, services, or licenses or other rights that could, if suddenly eliminated, severely impact the operations of the company.

8. Reporting Currency

The amount shown in these financial statements are presented in Bangladeshi Taka currency, which have been rounded off to the nearest Taka except indicated otherwise.

9. Comparative Information

Comparative information have been disclosed in respect of the year ended June 30, 2008 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant to an understanding of the financial statements of the current period.

Figures for the year ended June 30, 2008 have been reclassified wherever considered necessary to ensure comparability with the current years figures.

10. Information by Industry Segments and Geographical Areas

Industry Segment Information

The company did not have any segment other than the manufacturing and sale of IV fluids and other allied products.

Geographic Segment Information

The company did not operate any business outside Bangladesh.

11. Recognized Gains and Losses

No gain or loss was directly dealt with through the shareholders' equity without being recognized in the profit and loss account.

Therefore, net profit / (Loss) for the year is the total recognized gains/ (Loss).

12. Historical Cost, Profit and Losses

There was no revaluation of fixed assets in previous year and during the year under review. There was no factor like the differences between historical cost depreciation and depreciation on revalued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost, profit and loss has been presented in the report.

13. Reporting Period

The financial statements of the company cover one year from July 01 to June 30.



ORION INFUSION LIMITED
SCHEDULE OF FIXED ASSETS
AS AT JUNE 30, 2008

14. Property, Plant & Equipment : TK. 253,725,605

Sl. No.	Particulars	C		O		Rate of Dep. (%)	D E P R E C I A T I O N			Written Down Value As On 30.06.2008
		Balance as on 01.07.2007	Addition	Total as on 30.06.2008	Charged during the year		Accumulated Dep. as on 30.06.2008			
1	Land & Land Development	11,478,046	-	11,478,046	-	-	-	-	-	11,478,046
2	Freehold Building	80,086,691	-	80,086,691	2.5%	20,333,108	2,002,167	22,335,275	57,751,416	
3	Leasehold Building	36,042,466	-	36,042,466	4%	17,793,936	1,441,699	19,235,635	16,806,831	
4	Plant & Machinery	271,302,095	411,941	271,714,036	5%	104,217,025	13,565,105	117,782,130	153,931,906	
5	PVC Bag Manufacturing	14,476,134	-	14,476,134	5%	2,895,228	723,807	3,619,035	10,857,099	
6	Furniture & Fixture	6,904,311	117,920	7,022,231	10%	5,588,588	690,431	6,279,019	743,212	
7	Office Equipment	3,839,348	235,310	4,074,658	10%	1,533,628	383,935	1,917,563	2,157,095	
8	Vehicles	3,104,453	-	3,104,453	20%	3,104,453	-	3,104,453	-	
	TOTAL TAKA	427,233,544	765,171	427,998,715		155,465,966	18,807,144	174,273,110	253,725,605	

14.01 Depreciation charged during the year are as under:

	Factory	Admin.	Marketing	Total
1. Freehold Building	2,002,167	-	-	2,002,167
2. Leasehold Building	-	1,315,897	125,802	1,441,699
3. Plant & Machinery	13,565,105	-	-	13,565,105
4. PVC Bag Manufacturing	723,807	-	-	723,807
5. Furniture & Fixture	306,315	195,962	188,154	690,431
6. Office Equipments	62,992	88,884	232,059	383,935
7. Vehicles	-	-	-	-
	16,660,386	1,600,743	546,015	18,807,144

a) We have verified the additions of fixed assets purchased during the year and found the same in order.
b) Depreciation has not been charged on the addition of the Fixed Assets.



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A. MATIN & CO.
Chartered Accountants

15. Investment :	Tk.	75,824,995	Amount in Taka 30.06.2008	Amount in Taka 30.06.2007
The amount consists as follows :				
Investment in other companies			75,824,995	75,824,995
			<u>75,824,995</u>	<u>75,824,995</u>

The above investment amount includes Tk 16,825,396 for acquiring of new shares of ICB Islamic Bank. leaving the rest amount in Orion Mashroom Ltd. which have been considered good by the Directors.

16. Inventories :	Tk.	94,574,012	30.06.2008	30.06.2007
The amount consists as follows :				
Raw Materials (1,10,025 kg) (30.06.2007 - 1,04,905 kg)			38,048,215	26,328,635
Packing Materials			15,875,788	14,788,078
Work - in - process			6,794,212	8,975,581
Finished Products (4,81,326 units) (30.06.2007 - 6,27,226 units)			31,845,510	40,211,635
Promotional Materials			1,311,187	1,786,204
Spares & Associates			245,638	305,422
Chemicals			110,646	211,457
Printing & Stationery			342,816	772,034
			<u>94,574,012</u>	<u>93,379,046</u>

Physical inventory of the above stock & stores was conducted by the management at the end of the year. The valuation of inventory was done and certified by the management. The inventories are considered good by the Directors.

17. Accounts Receivable :	Tk.	48,739,179	30.06.2008	30.06.2007
			<u>48,739,179</u>	<u>31,931,562</u>

These are unsecured but considered good by the Directors. No amount was due by the Directors, Managing Agent, and other officers of the company and any of them severally or jointly liable with other person.





এ, মতীন এন্ড কোং
A. MATIN & CO.
Chartered Accountants

18. Advance, Deposit & Prepayments :	Tk. 50,120,510	Amount in Taka 30.06.2008	Amount in Taka 30.06.2007
The amount consists as follows :			
Advances :			
Travel and Other Advances		892,485	1,434,794
Advance paid to Suppliers		4,150,658	4,161,639
Motor Cycle Advance		3,860,500	3,240,747
Security Service Advance		9,200	9,200
Advance Income Tax		20,220,334	15,296,040
Sub-Total:		29,133,177	24,142,420
Deposits :			
VAT Deposit		122,278	59,365
Security Deposit		1,617,285	1,612,370
Earnest Money		49,000	150,000
L/C Margin Deposit		19,198,770	5,694,942
Sub-Total:		20,987,333	7,516,677
Grand Total:		50,120,510	31,659,097

The receivables are unsecured but considered good by the Directors. No amount was due by the Directors, Managing Agent, Managers and any other officers of the company and any of them severally or jointly liable with any other person except Motor cycle advance, travel and other advance. All the above balances are subject to confirmation.

19. Cash and Cash Equivalents : Tk. 5,736,469 30.06.2008 30.06.2007

The amount consists as follows :

Cash in Hand/Imprest Cash	860,611	749,353
Cash at Bank	4,875,858	3,863,382
	5,736,469	4,612,735

Above amount was company's cash balance as on June 30, 2008. Since our audit was post dated we could not physically verify the cash balance on the closing date, however, we have obtained cash custody certificate duly signed by the management confirming the balance held by them on the closing date.

We have verified the bank statements/certificates issued by the respective banks which are found in agreement with the book balance.





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A. MATIN & CO.
Chartered Accountants

20. Share Capital :

Amount in Taka
30.06.2008 Amount in Taka
30.06.2007

a) Authorized Capital :

10,000,000 Ordinary Shares of Taka 100/- each

1,000,000,000 1,000,000,000

b) Issued, Subscribed and Paid-up Capital:

2,035,976 Ordinary Shares of Tk. 203,597,600

203,597,600 203,597,600

c) Distribution Schedule:

The detailed schedule showing the number of shareholders and their shareholding in percentage has been disclosed below as a requirement of the Regulation 37 (3) of Dhaka Stock Exchange and Chittagong Stock Exchange.

Range of holding in number of share	No. of Shareholders	No. of Shares held	30.06.2008 Holding(%)	30.06.2007 (Holding(%))
Up to 500 shares	7,009	310,146	15.23%	15.30%
501 to 5,000 shares	115	87,940	4.32%	4.02%
5,001 to 10,000 shares	8	56,210	2.76%	2.75%
10,001 to 20,000 shares	7	91,860	4.51%	4.33%
20,001 to above	10	1,489,820	73.18%	73.60%
	7,149	2,035,976	100%	100%

d) Composition of Shareholding :

	Nos. of Shareholders	Number of Shares	% of Shareholding 30.06.2008	% of Shareholding 30.06.2007
Sponsors	6	967,840	47.54%	47.54%
Foreign Investors	6	1,400	0.07%	0.07%
Financial Institutions	44	713,300	35.03%	33.52%
General Public	7,093	353,436	17.36%	18.88%
	7,149	2,035,976	100%	100%





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21. Long Term Borrowings (Secured):	Tk.	237,871,947	Amount in Taka 30.06.2008	Amount in Taka 30.06.2007
<u>Agrani Bank , WASA Branch</u>				
Project Loan			106,647,461	129,298,242
Interest Free Block Account			131,224,486	159,991,190
			<u>237,871,947</u>	<u>289,289,432</u>

Project Loan is repayable within December 31, 2010 & Interest Free Block Account within June 30, 2012. This loan is secured by mortgage on land and building and hypothecation of plant & machinery, raw and packing materials, work-in-process, finished stocks and book debts respectively.

22. Liabilities for Other Finance :	Tk.	29,577,557	30.06.2008	30.06.2007
Gratuity			7,525,735	8,896,700
Contributory Providend Fund			22,051,822	-
			<u>29,577,557</u>	<u>8,896,700</u>

The company has approved contributory providend fund scheme, which covers all its employees who meet eligibility requirements. The company has determined an amount of Tk. 22,051,822 as actual liability up to 30.06.2008. The payable amount is considered good by the Directors.

It is observed that the company's management has invested the PF balance amounting to TK 2,20,51,822 to working capital as long-term loan in accordance with Board of Trustee of PF under its clause 22.

23. Short Term Borrowings (Secured) :	Tk.	152,256,842	30.06.2008	30.06.2007
The amount consists as follows :				
<u>Pledge & Hypothecation :</u>				
Agrani Bank C.C. (Pledge) - 543, WASA Branch			14,244,127	14,237,848
Agrani Bank C.C. (Hypothecation) - 147, WASA Branch			124,191,151	124,251,315
<u>LIM :</u>				
Agrani Bank, WASA Branch,			13,821,564	3,858,177
			<u>152,256,842</u>	<u>142,347,340</u>

These loans are secured by mortgage on land and building, hypothecation of plant and machinery, raw and packing materials, work-in-process, finished stocks and book debts respectively.

24. Inter Project Current Account:	Tk.	46,422,872	30.06.2008	30.06.2007
Inter Project Current Account			46,422,872	46,259,275

The above amount is payable to Orion Laboratories Ltd and Belhasa Accom JV Ltd. The payable amount is considered good by the Directors.

25. Creditors and Other Payables:	Tk.	24,743,916	30.06.2008	30.06.2007
This consists as follows :				
Suppliers			20,336,124	21,314,812
Workers Profits Participation Fund			4,294,572	2,390,456
Employees Income Tax			113,220	107,677
			<u>24,743,916</u>	<u>23,812,945</u>

The individual balances are subject to confirmation.





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26. Accrued Expenses :	Tk.	9,788,272	Amount in Taka 30.06.2008	Amount in Taka 30.06.2007
This consists as follows :				
Gas and Electricity			946,570	924,895
Salary and Wages payable to Employees			8,791,702	6,773,539
Audit Fee			50,000	50,000
			<u>9,788,272</u>	<u>7,748,434</u>
27. Dividend Payable :	Tk.	8,201,672	30.06.2008	30.06.2007
Dividend Payable			<u>8,201,672</u>	<u>8,845,512</u>
The Payable amount is considered good by the directors.				
28. Contingent Liabilities :	Tk.	37,798,752		
The balance is as per last account. The above claim has been raised by the VAT authority against the company for Value Added Tax (VAT) amounting to Tk.37,798,752. In this respect the Company filed a Writ Appeal against the said claim to the High Court Division which is awaiting final decision.				
29. Revenue (Turnover) from Net Sales :	Tk.	504,608,992	30.06.2008	30.06.2007
Net Sales			<u>504,608,992</u>	<u>348,507,592</u>
This represents sale of 7,618,223 units consisting of 37 products, as against 5,986,170 units in 2006-2007 of 33 products.				
30. Cost of Goods Sold :	Tk.	313,349,515	30.06.2008	30.06.2007
The amount consists as follows :				
Work in process-Opening			8,975,581	4,424,687
Raw Materials Consumed (Note 30.01)			49,114,049	31,939,957
Packing Materials Consumed (Note 30.02)			194,918,089	133,539,231
Re-agent Consumption			328,520	218,378
Work in process-Closing			(6,794,212)	(8,975,581)
Total Consumption			<u>246,542,027</u>	<u>161,146,672</u>
Manufacturing Overhead (Note 30.03)			58,441,363	50,617,874
Cost of Production			<u>304,983,390</u>	<u>211,764,546</u>
Finished Goods-Opening			40,211,635	41,883,996
Finished Goods-Closing			(31,845,510)	(40,211,635)
Cost of Goods Sold			<u>313,349,515</u>	<u>213,436,907</u>
30.01 Raw Materials Consumed :	Tk.	49,114,049	30.06.2008	30.06.2007
The amount consists as follows :				
Opening Stock			26,328,635	17,436,533
Add : Purchase			60,833,629	40,832,059
Less : Closing Stock (1,10,025 Kg.) (in 2007 : 1,04,905 Kg.)			(38,048,215)	(26,328,635)
			<u>49,114,049</u>	<u>31,939,957</u>





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30.02 Packing Materials Consumed : Tk. 194,918,089

The amount consists as follows :

	Amount in Taka 30.06.2008	Amount in Taka 30.06.2007
Opening Stock	14,788,078	11,995,564
Add : Purchase	196,005,799	136,331,745
Less : Closing Stock	(15,875,788)	(14,788,078)
	194,918,089	133,539,231

Details in respect of quantity of packing materials as well as value of each items of packing materials are not given as the number of items as well as classes of items are numerous.

30.03 Manufacturing Overhead : Tk. 58,441,363

The amount consists as follows :

	30.06.2008	30.06.2007
Wages, Allowances and Bonus (Note 30.03.01)	17,052,930	15,012,522
Contributory Provident Fund	640,697	513,344
Spare parts	2,227,582	2,992,750
Gas	5,168,981	4,859,567
Electricity	306,024	305,824
Fuel and Lubricant	1,343,038	1,026,629
Security Guard Expenses	742,017	742,189
Contract Manufacturing Expenses/(Toll Charge)	-	(3,223,425)
Repair & Maintenance	3,567,984	2,839,665
Research, Test and Analysis Expenses	1,489,382	961,295
Nitrogen Gas	2,359,597	2,515,510
Travelling & Conveyance	455,415	222,887
Entertainment	168,776	44,844
Workers Food Expenses	2,969,116	2,274,566
Washing & Cleaning	30,051	76,832
Misc. Expenses	386,854	273,853
Fees & Taxes	140,799	204,449
Telephone, Postage & Courier	222,952	238,643
Insurance	1,016,111	1,016,111
Carriage Inwards	49,746	36,775
Printing & Stationery	1,442,925	1,104,425
Depreciation (Note 14.01)	16,660,386	16,578,619
	58,441,363	50,617,874

30.03.01 Wages, Allowances and Bonus:

	30.06.2008		30.06.2007	
	Number	Taka	Number	Taka
Employees drawing Tk.3,000 per month or above	206	15,455,821	196	13,465,469
Employee drawing less than Tk. 3,000 per month	89	1,597,109	80	1,547,053
	295	17,052,930	276	15,012,522





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31. Administrative Expenses :

Tk. 14,905,759

The amount consists as follows :

Salaries, Allowances and Bonus (Note 31.01)
Contributory Provident Fund
Postage, Telephone and Telegram
Printing & Stationery
Fuel & Vehicle Maintenance
Advertisement & Publicity
Travelling & Conveyance
Repair & Maintenance
Bank Charges & Commission
News Paper & Periodicals
Software Consultancy
Entertainment
Audit Fee
Rent, Rates and Taxes
Sundry Expenses
Insurance
A.G.M. Expenses
Depreciation (Note 14.01)

Amount in Taka 30.06.2008	Amount in Taka 30.06.2007
6,639,041	6,436,010
280,400	271,997
676,389	360,768
795,085	400,190
949,869	668,500
-	110,326
798,862	472,135
43,239	50,399
945,937	708,718
2,957	2,930
365,000	275,000
32,395	12,634
50,000	50,000
272,494	279,305
989,638	737,605
463,710	449,070
-	427,529
1,600,743	1,600,743
14,905,759	13,313,859

31.01 Salary, Allowances and Bonus : Tk. 6,639,041

	30.06.2008		30.06.2007	
	Number	Taka	Number	Taka
Employees drawing Tk. 3,000 per month or above.	37	6,473,144	39	6,364,301
Employees drawing less than Tk. 3,000 per month	7	165,897	3	71,709
	44	6,639,041	42	6,436,010

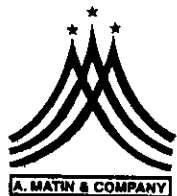
32. Selling and Distribution Expenses : Tk. 104,720,287

The amount consists as follows :

Salary, Allowances and Bonus (Note 32.01)
Contributory Provident Fund
Carrying and Delivery Expenses
Sales Force Expenses
Postage, Telephone and Telegram
Training & Conference Expenses
Other Expenses
Office Rent-Depot
Printing & Stationery
Product Development Expenses
Fuel & Vehicle Maintenance
Travelling & Conveyance
Product Sample
Promotional Expenses (Pad & Literature)
Sales Discount to Retailers
Depreciation (Note 14.01)

30.06.2008	30.06.2007
54,122,915	37,969,254
2,230,924	2,428,219
14,526,131	10,152,272
13,518,180	8,699,735
2,106,631	1,392,634
1,874,681	1,035,817
1,546,304	781,809
1,983,077	1,534,472
1,803,578	633,999
106,970	71,280
1,535,908	827,677
1,162,878	546,345
2,661,905	3,106,967
4,251,660	2,781,840
742,530	842,347
546,015	782,017
104,720,287	73,586,684





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32.01 Salary, Allowances and Bonus : Tk. 54,122,915

	30.06.2008		30.06.2007	
	Nos	Taka	Nos	Taka
Employees drawing Tk. 3,000 per month or above	471	53,006,157	424	37,824,797
Employees drawing less than Tk. 3,000 per month	50	1,116,758	6	144,457
	521	54,122,915	430	37,969,254

33. Financial Expenses : Tk. 32,110,221

	30.06.2008	30.06.2007
Interest on Cash Credit & Others	32,110,221	34,151,691

Financial Expenses represent Interest on Cash Credit & Others.

34. Non Operative Income : Tk. 263,223

	30.06.2008	30.06.2007
Rejected Items at factory	263,223	412,680

During the year under audit the company has sold miscellaneous scrap & rejected items.valued Tk. 2,12,422 and earned Bank interest tk. 50,801 respectively and accounted for accordingly.

35 . Profit & Loss Account : Tk.221,622,225

The break- up of profit and loss accounts is stated as under :

	30.06.2008	30.06.2007
Net accumulated profit/(Loss) as on June 30, 2007	(221,622,225)	(224,684,799)
Prior years adjustment made towards proposed dividend for 2005-2006	-	(10,681,360)
	(221,622,225)	(235,366,159)





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36. Production Capacity, Actual Production in 2007-2008 and Reason of Excess / (Shortfall) :

Quantity in million

Item	Production Capacity		Actual Production		Capacity Utilized	
	2007-2008	2006-2007	2007-2008	2006-2007	2007-2008	2006-2007
Intravenous Fluids and Injections	12.00	10.48	7.61	5.46	63.41	52.09

37. Claims not acknowledged as debt :

There was no claim against the company as on 30.06.2008 except those mentioned in the report.

38. Payments/Perquisites to Directors and Managing Directors :

No compensation was allowed to the Managing Director, no fee was paid to any Directors, or no amount was paid to any Directors for any special services.

39. Commission or Brokerage Against Sales :

No commission or brokerage was paid against sales other than the disclosure in Note-32

40. Foreign Exchange Earned :

During the year under audit, the company did not earn any foreign currency as there was no export took place during the during the period under audit.

41. Credit Facilities :

The credit facilities which was extended by different banks to the company was availed of by the company during the year under audit.

42. Current Ratio :

From the analysis of the financial statements it is observed that the prevailing current ratio of the company is 0.82: 1 which is below the standard of 2: 1. We recommend that in order to maintain the reasonable standard of ratio as per rules i.e. 2: 1 the company management should take measure to increase the current assets or decrease the current liabilities.

43. Post Balance Sheet Events :

No material events occurring after balance sheet date came to our notice which could affect the values in the financial statements.


Managing Director


Director



Company Secretary