2017

INTEGRATED ANNUAL REPORT





ORION Pharma Ltd.

In Search of Excellence

www.orionpharmabd.com

ORION
Pharma Ltd.
Dhaka, Bangladesh

AMSTOCK

Letter of Transmittal

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

Dear Sir/Madam (s):

ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

We are pleased to inform you that the Board of Directors of Orion Pharma Ltd. has taken the decision, in its Board Meeting held on November 7, 2017, to hold 52nd Annual General Meeting of the Company on December 14, 2017.

In accordance with the requirement of Bangladesh Securities and Exchange Commission, we are enclosing a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2017, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on June 30, 2017 along with notes as well as the Directors' Report of the Company thereon for your record/necessary measures.

Yours sincerely

Sd/-
Md. Ferdous Jaman
Company Secretary
Dated: November 7, 2017

AMARSTOCK



17th ICAB NATIONAL AWARD
BEST PRESENTED ANNUAL REPORT 2016

Ref: ICAB/1/2017 — 31 October 2017

Mr. Salman Obaidul Karim
Managing Director
Orion Pharma Limited
Orion House, 153-154, Tejgaon Industrial Area,
Dhaka-1208

Dear Sir,

Sub: 17th ICAB National Award for Best Presented Annual Reports 2016

We are pleased to inform you that after evaluation of the Annual Report 2016 of Manufacturing Sector by the Review Committee and recommended by the Jury Board of Review Committee for Published Accounts and Reports (RCPAR) of Council ICAB, your company has been awarded **Second position under the category: Manufacturing Sector.**

On behalf of the Council of the Institute of Chartered Accountants of Bangladesh (ICAB), please accept heartiest congratulations on your achievement. We are also delighted to inform you that your company's Annual Report has been nominated for SAFA-IFPA Reports Award 2016 competition.

The Trophy will be awarded at a ceremony to be organized on **Saturday, 25 November 2017 at 4:30 PM at the Ball Room of Pan Pacific Sonargaon Hotel, Dhaka.** Mr. Abul Hasi Abdul Muhith, MP, Hon'ble Minister for Finance, GoB is expected to grace the occasion as the Chief Guest and Mr. Tofail Ahmed, MP, Hon'ble Minister for Commerce, GoB will be present as the Special Guest.

Invitation card will be sent to you accordingly to participate in the programme and receive the award.

Thank you very much.

Sincerely yours,

Adeb Hasan Khan FCA
President ICAB

Parveez Mahmud FCA
Chairman, RCPAR/ICAB

CHARTERED ACCOUNTANTS BANGLADESH

Orion Pharma Limited tries to be fully compliant with all Government regulations and adhere to all statutory obligations. It is a matter of great pleasure for the Company that the Institute of Chartered Accountants of Bangladesh (ICAB) acknowledged the efforts of the Management and our Company has once again been able to achieve 2nd position for the "Best Presented Annual Report – 2016" under the category: Manufacturing Sector, by the Review Committee and Jury Board of the Review Committee for Published Accounts and Reports of Council ICAB. We are also proud to state that we have been nominated for the prestigious South Asian Federation of Accountants (SAFA) Awards. OPL was also previously awarded the 2nd position for the "Best Presented Annual Report – 2014" by the ICAB.

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Integrated Annual Report

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AMAR STOCK

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Introducing this Integrated Report

How organizations will report their strategy, governance, performance and prospects to their stakeholders is eventually led to the creation of value over time. In response to the stakeholders' demand for information about the organizations value creation process, a significant number of organizations is following the emerging practice of Integrated Reporting that concisely depicts the general picture of the organization including how it is creating values through its normal course of business in the context of its strategy, opportunities and risks and giving stakeholders a holistic view of the organization and its prospects. In short, Integrated Reporting is a more recent development in reporting process that combines the analysis of financial and non-financial performance.

In order to cope with the recent changes in corporate reporting process, from 2016 we have updated our reporting standard through review of our corporate reporting format and structure accordingly and decided to modernize the reporting process which will further guarantee the compliance with best practice while showing the true and transparent picture of Orion Pharma Limited (OPL).

Orion Pharma Limited has pleasure in presenting its 2017 Integrated Annual Report to the potential stakeholders. This Integrated Annual Report is intended to provide a full understanding of the financial and non-financial information for the financial year July 1, 2016 to June 30, 2017 to all our stakeholders, with a particular focus on those stakeholders who are the providers of financial capital. This report demonstrates the overview of the performance of the Company and its subsidiaries, value created for stakeholders and contribution to the society.

The report is prepared based on the information which is material to stakeholders for their understanding of the Company's ability to build value in the short, medium and longer term.

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

Reporting framework

The contents of this Integrated Report are presented in line with and guided by the framework adopted by the International Integrated Reporting Council (IIRC). Other reporting frameworks, where applicable, include:

- Companies Act 1994
- Bangladesh Securities and Exchange Rules 1987, Commission's Laws, Order, Notification, Directive, Guideline etc.
- Core Guidelines of Global Reporting Initiative (GRI)
- Bangladesh Financial Reporting Standards (BFRSs)

Forward looking statements

Certain statements in this report contain forward looking statements which are highly based on assumptions and predictions. These statements do not guarantee any future outcome rather demonstrates our current expectations. However, actual results might differ significantly from those forecasts made in any forward looking statements because of some future events and circumstances which are beyond the company's control. Therefore, the readers are recommended to use caution when interpreting any forward looking statements of this report.

Capitals of value creation

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


Financial Capital


Intellectual Capital


Human Capital


Social and Relationship Capital


Manufactured Capital


Natural Capital



Approval and assurance of the integrity of the report

The annual financial statements of Orion Pharma Limited have been audited by the Company's Independent Auditor, M/S Ahmad & Akhtar, Chartered Accountants. Also, assurance on compliance of Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission has been achieved from ARTISAN, Chartered Accountants. Other contents of this Integrated Report have been reviewed and verified by the Board by giving their opinion that the Integrated Report is presented as per the reporting frameworks already stated here.

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

Availability of the report

We ensure that the printed version of the Integrated Annual Report is forwarded to the shareholders before holding the annual general meeting. Also the soft copy of the report is available in our website for our stakeholders.



ARSTOCK



2016-17

Sustainability Reporting

an intrinsic element of Integrated Reporting



This is the second year we are publishing our Sustainability Report - also termed as triple bottom line reporting. This report evidently represents our efforts to disclose about the significant economic, environmental and social impacts caused by our everyday activities and performance. It also presents the organization's values and business and governance model, governance performance and demonstrates the link between its strategy and its commitment to a sustainable economy.

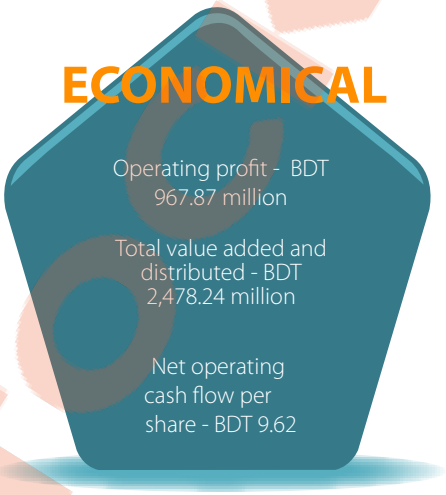
As we already stated in last year's report, Sustainability Reporting is an emerging and one of the best reporting practices of 21st-century business. Last year Orion Pharma Ltd. attempted to incorporate Sustainability Reporting in the annual report as an intrinsic element of Integrated Reporting for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

Reporting guidelines

Orion Pharma Ltd.'s Sustainability Report has been prepared on the basis of Global Reporting Initiative (GRI) framework G4 guidelines. It aims to provide only disclosures and indicators that are material to the business about the economic, environmental, and social impacts that significantly matter and substantively influence the decisions of stakeholders.

Reporting process

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







The three spheres of sustainability

HOW WE APPROACHED TO

IDENTIFY MATERIAL ISSUES

Materiality Determination Process

We believe that identifying the material issues is a very important task and a lot of emphasis was given to this process. The Management Team and the Head of Departments went through extensive consultation and document review to derive at the issues that are of major importance to and have substantial impact on the company. Along with this, regular communication with potential stakeholders particularly the providers of financial capital helps us to obtain inputs in the process of identifying material issues. After identification of the points, they were quantified and evaluated on the basis of economic, environmental and social impacts in terms of GRI Reporting guidelines and were prioritized on the basis of their relative importance to value creation. We also consider the risk, opportunities and strategic objectives when assessing the material aspects, both financial and qualitative, and determining how they affect our stakeholders and their goal of attaining maximum utility from our business operations. On top of that the identified material factors are affecting our six capitals: financial, manufactured, intellectual, human, social & relationship and natural capital.

However, we will review the materiality assessment process on annual basis to make sure that the existing material aspects are addressed effectively and the new emerging significant factors are included in our integrated approach.

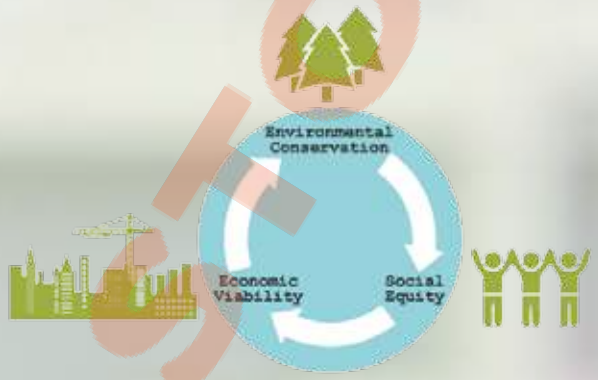
Reporting Boundary

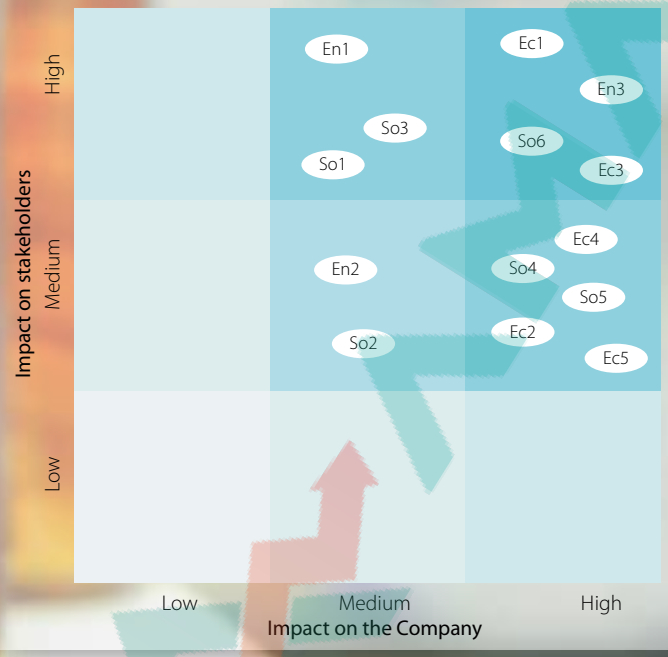
Assessing the reporting boundary is the key to materiality determination process. This year Orion Pharma Limited has prepared its Integrated Annual Report by identifying the material issues as per International Integrated Reporting Council (IIRC) and the core guidelines of Global Reporting Initiative (GRI). BFRSs have been applied as the financial reporting boundary for preparation of the financial report including the transactions and related events of the Company, its two subsidiaries and one associate. Furthermore, the risks, opportunities and outcomes are identified if they have material impact on the company's ability to create value.



Materiality Matrix

During the FY 2016-17, we initiated assessing material issues in consideration of the identified risks, opportunities and strategic objectives. A total of fourteen material issues have been identified in terms of three dimensions; economic, social and environmental dimension; as the most relevant and we hope that this will remain same for us for the years to come. However, their drivers and their relative importance may change in next years and the matrix composition will be amended accordingly. Here, the materiality matrix has been designed in view of the identified matters' impact on the company as well as on potential stakeholders.





Economic Dimension:

Ec1. Product quality
Ec2. Competition
Ec3. Ensuring sustained financial performance
Ec4. International opportunities
Ec5. Brand development

Social Dimension:

So1. Employee well-being and engagement
So2. New product development
So3. Community engagement
So4. Assessment of operation model on regular basis
So5. Occupational health and safety
So6. Corporate governance, business ethics & code of conduct

Economic Dimension:

En1. Waste management
En2. Sustainable sourcing
En3. Carbon emission and natural resources consumption

Our Material Issues

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

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
Economic Dimension					
Ec1: Product quality					
	Inside Company: Quality helps to obtain customer satisfaction and loyalty, and it ultimately contributes in long term profitability. **Outside Company:** It is directly related to public's health issues.	**Risk:** • Product quality risk **Opportunity:** • Pharma park • Working on achievement of ISO 9001:2015 **Strategy:** • Provide quality products to promote brands • Maintain quality products to retain loyalty • Product complain form	Social and relationship capital	• Customer • Consumer • Government and regulatory authorities	46, 78, 153, 155
Ec2: Competition					
	Inside Company: Competition helps to focus on key customers but due to severe competition initial target cannot be achieved easily. **Outside Company:** Top company's medicines are preferred by society.	**Risk:** • Market demand and competition risk **Opportunity:** • High growth rate of Bangladesh pharmaceutical industry with lot of potentials • Increasing demand for quality drugs and medicines • Growing emergence of Chronic diseases **Strategy:** • Play by our competitive edge • Prioritize Customers	Financial capital	• Shareholders • Financial institutions • Customer	46, 157, 159-160
Ec3. Ensuring sustained financial performance					
	Inside Company: Sustained financial performance helps to reward investors & creates scope for growth.	**Risk:** • Liquidity crisis • Financial issues	Financial capital	• Shareholders • Financial institutions • Suppliers	46, 48, 60-62, 155-156

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
	Outside Company: Shareholders, lenders and suppliers get assurance of their return or payment.	**Strategy:** • Maintain diverse funding sources • Gain access to foreign financing • Maintain capital allocation in a disciplined manner			
Ec4. International opportunities					
	Inside Company: As the local market is saturated, seeking international opportunities has become very important for the business. **Outside Company:** Entering new market results in business expansion thereby creating employment opportunity.	**Risk:** • Market demand and competition risk **Opportunity:** • Access to Myanmar, Nepal, Armenia, Sri Lanka, Lesotho, Afghanistan, Cambodia, Bhutan, Sudan & Somalia • Grant an exemption from obligations to implement patents & data protection for pharmaceutical products until 2033 **Strategy:** • Perform due diligence before expansion of business overseas • Continuous development of expansion strategies & research the market • Expansion in emerging markets in Southern Asia and European countries	Financial capital	• Shareholders • Financial institutions • Analysts • Media	46, 150-151, 154-155
Ec5: Brand development					
	Inside Company: Brand development is a critical investment in the business's future success, because it is what comes into the mind of people when they hear the name of Orion. **Outside Company:** Brand image helps the society to perceive about the company & its activities.	**Risk:** • Market demand and competition risk **Strategy:** • Provide quality products to promote brand • Invest in brand promotion both in local & overseas market • Extensive promotion of new brands	Financial capital	• Customers • Consumers • Shareholders	46, 148, 153

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
SOCIAL DIMENSION					
So1. Employee well-being and engagement					
	Inside Company: Employee well-being and engagement helps to enhance productivity and motivation. **Outside Company:** It creates a positive image regarding our organizational culture in the society.	**Risk:** • People and talent **Strategy:** • Offer attractive remuneration and benefits packages • Develop skills through training & development	Human capital 	• Employees • Trade union	45, 64-75, 94-100, 120, 158
So2. New product development					
	Inside Company: New product development helps to cater to changing market demand patterns & to remain competitive. **Outside Company:** Society gets benefitted from the availability of new medicines for new emerging diseases.	**Risk:** • Market demand and competition risk **Strategy:** • Assess both the opportunity & risk of new product development • Analyze whether the resources are available to develop new products or modify existing one	Intellectual capital 	• Customers • Consumers	84-86, 154, 173
So3. Community engagement					
	Inside Company: Community engagement is essential to build a business as we have a responsibility towards the welfare of the community. **Outside Company:** Contribution from our part to society ultimately lowers the burden of Government and develops the society.	**Risk:** • Stakeholder relationship **Strategy:** • Review of CSR programs and its budget allocation quarterly	Social and relationship capital 	• Communities • Media	48, 87-90, 101-105, 120, 158

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
So4. Assessment of operation model on regular basis					
	Inside Company: Continuous review of operations helps to identify bottlenecks and improve the production facility. **Outside Company:** The society will have confidence on the quality of the products.	**Risk:** • Supply disruption **Strategy:** • Continuous review of operations	Manufactured capital	• Shareholders • Suppliers • Customer	46, 119-126, 156
So5. Occupational health and safety					
	Inside Company: Occupational health and safety is material to us because Orion believes in fostering a safe working environment for our personnel. **Outside Company:** The Government and regulatory authorities will be ensured that we are complying with safety measures.	**Risk:** • Health and safety **Strategy:** • Prevent work-related injuries, illnesses and fatalities	Human capital	• Employees • Trade union	47, 78, 82, 120, 158
So6. Corporate governance, business ethics and code of conduct					
	Inside Company: Effective corporate governance, proper business ethics & well code of conduct helps to attain sustainability & ensure investment opportunities, by ensuring a healthy transparent business stature. **Outside Company:** Complying with these issues are the main factors considered to judge us by the society.	**Risk:** • Stakeholder relationship • Compliance issues	Social and relationship capital	• Shareholders • Financial institutions • Analysts • Government and regulatory authorities • Media	28-57

SMARTSTOCK

Factors	Why are the factors material	Link to risk/ opportunity /strategic objective	Impact on Capital	Link to stakeholders	How do we deal with the factors (cross reference)
ENVIRONMENTAL DIMENSION					
En1. Waste management					
	Inside Company: We have a responsibility towards the environment because we believe in 'producer responsibility'. **Outside Company:** The society is concerned on these issues whether we are creating any negative impact on environment.	**Risk:** • Environmental consideration **Strategy:** • Implement environment-friendly production plan	Natural capital 	• Government & regulatory authorities • Employees • Communities	49, 107, 157
En2. Sustainable sourcing					
	Inside Company: It is important to purchase good quality raw materials that have no adverse effect on the environment and are eco-friendly. **Outside Company:** Pharmaceutical regulatory bodies are concerned on what we are sourcing and using.	**Risk:** • Supply disruption	Natural capital 	• Government & regulatory authorities • Suppliers and contractors	46, 135
En3. Carbon emission and natural resources consumption					
	Inside Company: Orion has a commitment to continue its eco-friendly practices to reduce Carbon Impact or Emission. The company also believes in conserving water & controlling dust. **Outside Company:** Social activists as well as Government are always concern on this issues whether we are creating any negative impact on environment.	**Risk:** • Environmental consideration **Strategy:** • Adopt extra initiatives in the new Pharma Park	Natural capital 	• Government & regulatory authorities • Communities	49, 108, 157



Exor®
Esomeprazole 20/40 mg Capsule &
40 mg IV Injection

The most potent Esomeprazole
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DMF number for Esomeprazole 27925

Potency of Esomeprazole pellets in capsule shell size #4&2 26.67%

Contents matter !

ORION Pharma Ltd.
In Search of Excellence

ORION
Pharma Ltd.
Tejgaon, Dhaka, Bangladesh

Inspiring Every Beat of Life

ROVEX
rosuvastatin

Frulac®
Frusemide & Spironolactone

Clognil® Plus
Clopidogrel & Aspirin

Losan®
Losartan Potassium

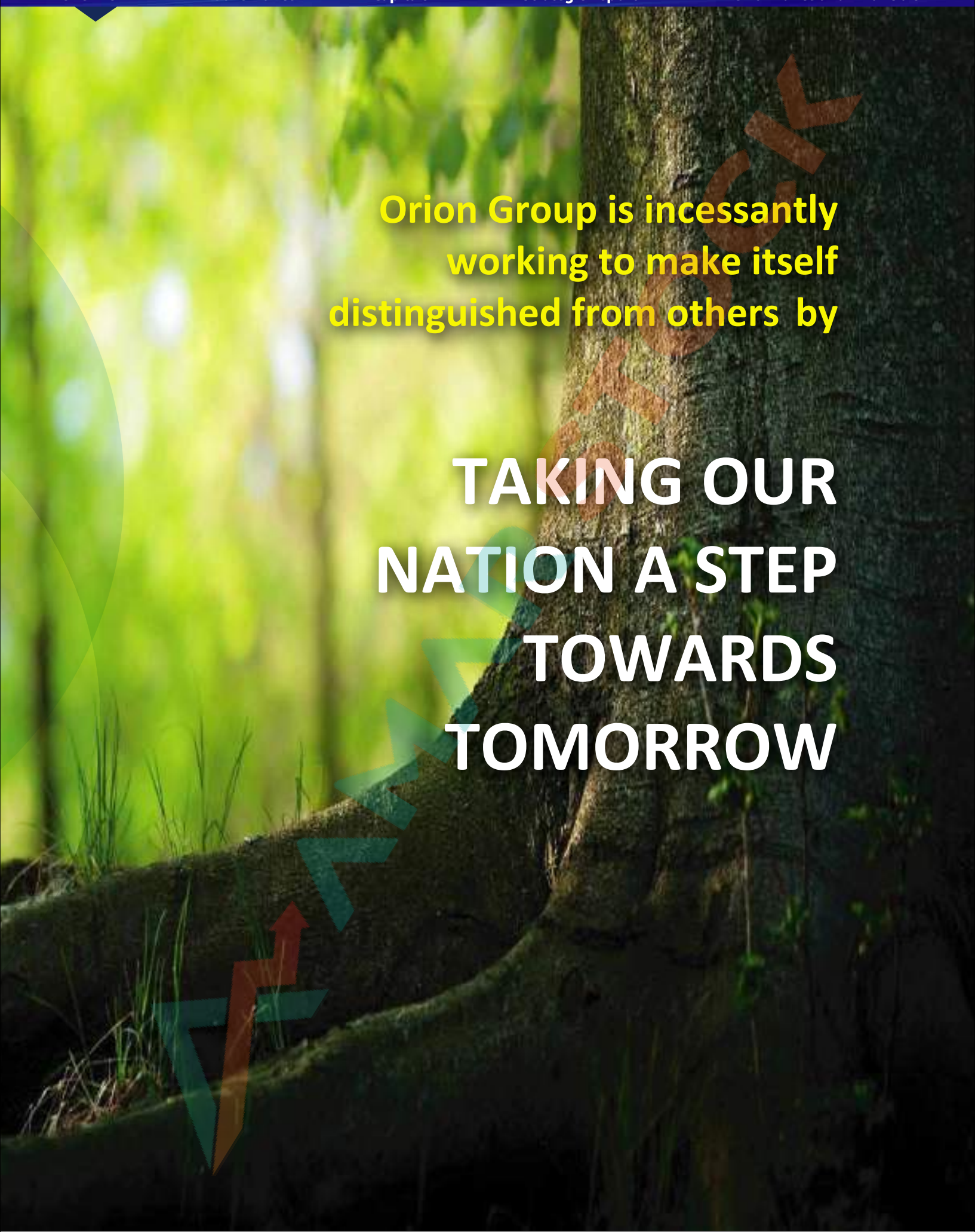
ORION
Pharma Ltd.
In Search of Excellence



We,
Orion Pharma Limited,

are a proud member
Company of

ORION GROUP



Orion Group is incessantly working to make itself distinguished from others by

TAKING OUR NATION A STEP TOWARDS TOMORROW

ABOUT THE GROUP

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

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

Orion Group has been an integral part in the steady economic growth and significantly increasing socio-economic development of Bangladesh in the past two decades through its contribution in the Trade & Commerce sector of Bangladesh, one of the Next-11 countries possessing high potential for economic growth as analyzed by Goldman Sachs. Orion has long since been consistently successful in all major investment undertakings so far and significantly contributed to the country's business environment, growth and stability through its adoption of appropriate business to business, business to government and business to consumers strategies and made an astonishing effort with a desire for excellence and creating value, be it introducing a new brand for consumers or forging a promising public private partnership with the Government of Bangladesh. Being a growth and development-oriented business entity, Orion never stepped back to forge partnership with the Government, Transnational Corporations and to involve foreign technological expertise in its multifaceted ventures as and when required.

Landmark: The Milestone Achievements of Orion



The TALLEST Building in the country, "City Centre"; a 37-storied commercial complex cum multistoried car parking at Motijheel, Dhaka



Implementing LARGEST single unit power plant 4x680 MW Ultra-Supercritical Coal based IPPs in the country



The LONGEST flyover and the FIRST PPP project in the country on BOOT basis; the 11.8 km long "Mayor Mohammad Hanif Flyover"



FASTEST HFO based 2 power projects in the country which were constructed in just record 9 months time from contract signing



Constructing the BIGGEST state-of-the-art Pharmaceutical Complex (Pharma Park) in Bangladesh



The BIGGEST Mushroom processing, freezing & canning plant in the country, a 100% export oriented 'Baby Button Mushroom' producer

First ever PPP Project in Tourism Sector of the countryand the LARGEST tourism complex, 'Development of Tourism resorts & entertainment village in Cox's Bazar'





VISION

To be regarded as a world-class corporate house through products, services and values.

MISSION

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

VALUES

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

ABOUT THE COMPANY

Orion Pharma Limited (Orion Pharma/the Company), previously known as Orion Laboratories Limited, a Company of Orion Group, was incorporated in 1965; and owns and operates a modern pharmaceutical factory and produces and markets pharmaceutical drugs and medicines. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) since 2013. It also owns approximately 21.76% shares of Orion Infusion Limited, another concern of Orion Group and a public company listed with Dhaka Stock Exchange since 1994 and Chittagong Stock Exchange since 1996, manufacturing and marketing intravenous fluids.

With the aim of building a world class pharmaceutical industry in Bangladesh, Orion Pharma is committed to deliver high quality essential general drugs, with long proven reliabilities to the medical science community, healthcare professionals, chemists and patients through 121 brands and 232 presentations of various formulations complying Good Manufacturing Practices (GMP) and the guidelines of ISO-9001:2008. Orion produces a wide array of dosage forms including tablet, capsule, syrup, suspension, injection, dry powder for syrup/suspension ranging in different quintessential therapeutic groups like anticancer, antibiotics, anti-diabetics, anxiolytics, diuretics, cardiovascular drugs and the likes.

Orion Pharma is constructing the BIGGEST Pharma Park in Bangladesh. It is going to be one of the finest compositions with total pharmaceutical solutions in this sub-continent. Details about the Pharma Park are given in the Strategic Report.

121
no. of Brands

232
no. of Presentation

36
no. of Therapeutic Class

186
no. of Generics





OUR CORE VALUES



INTEGRITY



QUALITY



RESPECT



PEOPLE


We encourage and nurture the culture of teamwork
TEAMWORK
We give safety, the utmost priority in all our decision making and activities
SAFETY
We collaborate to strengthen the communities in which we operate
COMMUNITY
We believe in sustainable business from economic, environment and social aspects
SUSTAINABILITY

CORPORATE INFORMATION



Legal Form	Incorporated as a private limited Company on June 21, 1965; converted into a Public Limited Company on June 24, 2010 under the Companies Act, 1994.
Listing Status	Listed with Dhaka Stock Exchange and Chittagong Stock Exchange
Authorized Capital	BDT 5,000,000,000
Paid-up Capital	BDT 2,340,000,000
No. of Shareholders	48,863
No. of Employees	2,287
Registered Office	ORION HOUSE 153-154, Tejgaon Industrial Area, Dhaka-1208, Bangladesh
Company E-mail	orion@orion-group.net orion.share@orion-group.net
Company Website	www.orionpharmabd.com www.orion-group.net
Board of Directors	Mr. Mohammad Obaidul Karim Mr. Salman Obaidul Karim Mrs. Arzuda Karim Mrs. Zareen Karim Mrs. Hasina Begum Mr. Golam Mohiuddin Mr. Col. Kamal Ahmed, PSC (Retd.)
Company Secretary	Mr. Md. Ferdous Jaman

AMARSTOCK



Audit Committee
Mr. Golam Mohiuddin
Mr. Salman Obaidul Karim
Lt. Col. Kamal Ahmed PSC (Retd.)

Chief Financial Officer
Mr. Samaresh Banik

Chief Internal Auditor
Mr. Md. Ibrahim Khalil

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

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

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

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

Subsidiaries
Orion Power Meghnaghat Limited
Dutch Bangla Power & Associates Limited

Associate
Orion Infusion Limited

AMARSTOCK

CORPORATE BODIES

Board of Directors



Chairman
Mr. Mohammad Obaidul Karim

Managing Director
Mr. Salman Obaidul Karim

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

Independent Directors
Mr. Golam Mohiuddin
Mr. Lt. Col. Kamal Ahmed PSC (Retd.)

AMARSTOCK

MR. MOHAMMAD OBAIDUL KARIM
Chairman



Appointed: 10th September, 2014

Qualification: Graduate, University of Dhaka

Directorships: Chairman of all concerns of Orion Group which include Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Orion Infrastructure Limited, Orion Hospitals Limited, City Centre, Orion Power Meghnaghat Limited, Dutch Bangla Power & Associates Limited, Digital Power & Associates Limited, Orion Power Dhaka Limited, Orion Power Khulna Limited, Orion Power Unit-2 Dhaka Limited, Orion Oil & Shipping Limited, Orion Gas Limited, Orion Agro Products Limited, Orion Footwear Limited, Orion Home Appliance Limited, Orion Restaurant Limited, Noakhali Gold Foods Limited, Orion Holdings Limited and Orion Capital Limited etc.

Mohammad Obaidul Karim is a distinguished self-achieved industrialist & businessman. He is the Founder Chairman of ORION GROUP and established the group into one of the largest conglomerates in Bangladesh with his futuristic attitude, determined will and a burning passion. He is an innovative, self-motivated and enterprising Bangladeshi business icon who has instrumented his success in the field of diversified business portfolios. Orion Group comprised of more than 30 individual companies was formed under his dynamic leadership and management power which have received various industrial recognitions.

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

Mr. Karim is one of the first entrepreneurs in the country to recognize the importance of Public Private Partnership (PPP). Under his leadership, Orion Group constructed and owns the 11.8km long Mayor Mohammad Hanif Flyover, the longest flyover and the first ever successful PPP project of the nation. With Mr. Karim's headship, Orion Group also built City Centre, the tallest commercial complex cum car parking in Motijheel, the financial hub of Bangladesh. Mr. Karim's success went further up when the Group became successfully involved in Private Sector Power generation of the Country, when it signed the biggest contract with Bangladesh Power Development Board (BPDB) of 4 supercritical Coal based power plants of 2400MW (apart from 300MW current generation under HFO) under IPP, under the Ministry of Power of the Government of Bangladesh.

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

MR. SALMAN OBAIDUL KARIM
Managing Director and Chief Executive Officer



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

Directorships: Managing Director of major concerns of Orion Group which include Orion Infusion Limited, Orion Infrastructure Limited, City Centre, Orion Hospitals Limited, Orion Knit Textile Limited, Orion Power Meghnaghat Limited, Dutch Bangla Power & Associates Limited, Digital Power & Associates Limited, Orion Power Dhaka Limited, Orion Power Khulna Limited, Orion Power Unit-2 Dhaka Limited, Orion Gas Limited, Orion Agro Products Limited, Orion Footwear Limited, Orion Home Appliance Limited, Orion Restaurant Limited, Noakhali Gold Foods Limited, Orion Capital Limited, Orion Properties Limited, Orion Oil & Shipping Limited, Orion Holdings Limited and Jafflong Tea Company Limited.

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

ARZUDA KARIM
Founder Director



Re-appointed: 22nd June, 2013
Qualification: Masters in Social Science, University of Dhaka

Directorships: Chairman of Jafflong Tea Company Limited and Director of major concerns of Orion Group amongst which include Orion Infusion Limited, Kohinoor Chemical Co.(BD) Limited, Orion Infrastructure Limited, Orion Hospitals Limited, Orion Power Meghnaghat Limited, Dutch Bangla Power & Associates Limited, Digital Power & Associates Limited, Orion Power Dhaka Limited, Orion Power Khulna Limited, Orion Power Unit-2 Dhaka Limited, Orion Gas Limited, Orion Agro Products Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Oil & Shipping Limited, Orion Holdings Limited and Orion Capital Limited.

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

ZAREEN KARIM
Director



Position: Director
Re-appointed: 28th June, 2014
Qualification: MBA in Marketing, North South University

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

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

Her entrepreneurial potentials have gradually changed herself with the growing sensitivity to the role and economic status in the business society. As 'Women Entrepreneur' she accepts challenging roles to meet her personal needs and become economically independent.

HASINA BEGUM
Nominated Director



Re-appointed: 22nd June, 2013
Qualification: Graduate

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

AMARSTOCK

MR. GOLAM MOHIUDDIN
Independent Director



Re-appointed: 10th July, 2014
Qualification: B. Pharm (hons), University of Dhaka

Directorships: He also holds the position of Independent Driector in Orion Infusion Ltd. except Orion Pharma Limited.

Mr. Mohiuddin joined the Company in 2012 as an Independent Director. He spent more than 21 years with Orion Infusion Limited as the Technical Director of Orion Infusion Limited (as an Advisor). He has experienced a number of Pharmaceutical Manufacturing Technology trainings from India, Japan, Holland, U.K. and Italy. He spent more than 10 years working as the Operative Director of Navana Pharmaceutical limited. His experience spans over more than four decades of eventful and illustrious career in pharmaceutical manufacturing sector and he was directly responsible for setting up two large Pharmaceutical plants in the country including Intra Venous manufacturing. At present, he is acting as the Independent Director of Orion Infusion Limited along with Orion Pharma Limited.

MR. LT. COL. KAMAL AHMED PSC (RETD.)
Independent Director



Position: Independent Director
Appointed: 10th July, 2014
Qualification: Bachelor of Science (University of Chittagong), Masters in Defense Weapon Systems (Poona University, India), MBA (Purdue University, USA)

Directorships: He does not hold any other directorship of any other company except Orion Pharma Limited.

Mr. Kamal was a former Chief, Overseas Deployment Desk of Army Headquarters of Bangladesh, with 21 years' experience in Bangladesh Army. During this period, he spent the last year as the Chief of Overseas Deployment Desk. Mr. Kamal Ahmed took different military trainings from China, Pakistan and India. He then spent one year as the General Manager of Panna Textiles Mills Limited. He was also the Vice-Chairman of Milk Vita and CEO of GRH Bangladesh Ltd.

AMARSTOCK

Management Team

Chairman

Mr. Salman Obaidul Karim, Chief Executive Officer

Members

Mr. Samaresh Banik, Executive Vice President, Finance & Accounts

Mr. Zafar Ahmed Tarique, Senior Vice President, Plant

Mr. Mahbubur Rahman, Vice president, Sales

Mr. Sazed Karim, Vice President, Administration

Mr. Chowdhury Razzak Haider, Manager, Human Resources

Audit & Risk Committee

Chairman

Mr. Golam Mohiuddin

Members

Mr. Salman Obaidul Karim

Mr. Lt. Col. Kamal Ahmed PSC (Retd.)

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GOVERNANCE REPORT FOR Stakeholders 2016-17

A catalyst for change – good Corporate Governance can supercharge our business

Corporate Governance

Orion Pharma Limited believes that the fair practice of excellent corporate governance is fundamental to ensuring the success of the company. The Board of Directors of Orion Pharma Limited is responsible for the Corporate Governance of the Company. This statement outlines the policies and practices related to the corporate governance guidelines enforced by the Bangladesh Securities & Exchange Commission (BSEC) and fully adopted by us to keep the Company's business integrity and performance on the right track. We are also implementing governance practices exceeding the said guidelines of BSEC. The Board of Directors put their best effort to establish an appropriate internal control system and risk management procedures to make sure the accountability, fairness and transparency at every level of its operation. Moreover, the Directors follow some principles set for them to oversee the function and set up clear guidelines for the management.

Corporate Governance Framework

The laws, policies, rules and regulations adopted by OPL for maintaining good corporate governance are outlined below:

- Bangladesh Securities & Exchange Commission (BSEC) Notification on Corporate Governance;
- The Companies Act 1994;
- Listing requirement and regulations imposed by Dhaka Stock Exchange and Chittagong Stock Exchange;
- Laws of the Land;
- Company's internal standards of code of conducts, ethics and compliance;
- Company's risk management system;
- Company's Audit and Risk Committee's terms of reference.

The company has always been adherent to the aforementioned frameworks. The review of the corporate governance frameworks is done from time to time to assure that our applied governance structure is always consistent, relevant and effective in addressing upcoming business challenges, if any.



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

The Governing Board

The uppermost power of authority of Orion Pharma Limited is entrusted with the Board of Directors which ultimately makes them accountable for the establishment of effective corporate governance throughout the organization. Our board also recognizes the significance of putting the highest standards of corporate governance into effect as this is one of the main aspects for our sustainability, economic growth and social acceptance. Keeping in line with this, the Board of Directors of OPL is formed by different multidimensional individuals whose broad range of knowledge, experiences and competencies are matched with the context of our company as well as with the regulatory requirements. In order to further make sure the independence of Board, two qualified Independent Directors are included in our board. The details about them are set out on page 25 of this report.



All the activities carried out by all members of the company in line with our business strategies are done according to the notifications and recommendations of the Corporate Governance guidelines of Bangladesh Securities and Exchange Commission. The Board declares that OPL adopts and applies the aforesaid guidelines and also the company's own policies and principles to deliver shareholders' value and to be transparent to all potential stakeholders. On top of that we focus and give importance on the point that operating, regulating and controlling the business activities and business environment not only guarantee satisfactory return on investment but also help us contribute to the society to a great extent.

Board Composition

As on June 30, 2017, the Board of Orion Pharma Limited is comprised of seven (7) Directors including to Independent Directors of the Company. In compliance with the Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC), the board has appointed two (2) Independent Directors with diversified knowledge and experience which provides a balance and ensures transparency in decision making process.

Name	Status
Mr. Mohammad Obaidul Karim	Chairman
Mr. Salman Obaidul Karim	Managing Director
Mrs. Arzuda Karim	Director
Mrs. Zareen Karim	Director
Mrs. Hasina Begum	Director
Mr. Golam Mohiuddin	Independent Director
Mr. Lt. Col. Kamal Ahmed, PSC (Retd.)	Independent Director

The board composition is reviewed on a regular basis in order to ensure that the Board, collectively, has a balance of required knowledge, experience and expertise to discharge its duties and responsibilities effectively.

Board Charter

The Board assumes overall responsibility for the strategic direction of the Company, retains full and effective control over the company, oversees the operations and activities through appropriate delegation of authority to the management and decisions in subsidiaries. The main role of the Board is to take decisions concerning certain policies, budgets, financing plan and major capital expenditures of the Company.

The board is governed by a formal board charter setting out its composition, processes and responsibilities. The primary responsibilities of the board are to:

- Retain full and effective control of the company;
- Give strategic direction to the company;
- Take decisions concerning certain policies, budgets, financing plan and major capital expenditures of the Company;
- Monitor management in implementing plans and strategies, as approved by the board;
- Appoint the CEO and other directors;
- Ensure that succession is planned;
- Identify & regularly monitor key risk areas and key performance indicators of the business;
- Endeavour that the company complies with relevant laws, regulations and codes of business practice;
- Ensure that the company communicates with shareholders and relevant stakeholders openly and promptly;
- Monitor the company's integrated performance;
- Establish a formal and transparent procedure for appointment to the board;
- Regularly review the report provided by the Audit and Risk Committee;
- Assess the performance of the board, its committees and its individual members on a regular basis.

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

Board Meeting

In fulfillment of its responsibilities, the Board of Directors of OPL holds periodic meetings and takes appropriate decisions. The Board meets not only for scheduled meeting but also on other occasions to deal with urgent matters that require attention; additional meetings are convened on an ad hoc basis.

As per the provision mentioned under Section 96 of the Companies Act-1994, a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

Pursuant to the above, The Board met five (5) times during the year under review and all the directors including both the independent directors were present in all meetings the Company Secretary and the Chief Financial Officer were also present in the Board meetings.



Board Appointment, Retirement and Rotation

The Company always strictly follows the rules and regulations of different relevant regulatory authorities including BSEC notifications and Companies Act and also its own Articles of Associations regarding the appointment, retirement and re-appointment of directors. There is not any separate policy regarding this issue except for the formation of very first board.

In terms of the Companies Act 1994, one third of the directors are required to retire by rotation at each year's AGM. The retiring directors, being eligible, may offer themselves for re-election by shareholders at the Annual General Meeting.

In addition to that as per BSEC notification, the term of an Independent Director is three years which may be prolonged for another three years. However, the appointment / re-appointment of the new Independent Director is subject to the approval by shareholders at the first AGM after their appointment after the recommendation from Board.



For the reporting financial year, Mr. Mohammad Obaidul Karim and Ms. Zareen Karim, Directors of the Company retire by rotation and also offer themselves for reappointment at the ensuing AGM. The tenure of Mr. Lt. Col. Kamal Ahmed, PSC (Retd) has expired October, 2017 and being eligible, the Board recommended him to be appointed as the ID of the Company, subject to the approval of the shareholders in the upcoming AGM.

Separation of work for the Chairman and Chief Executive Officer

The Chairman of the Board, Mr. Mohammad Obaidul Karim, was elected by the Board of Directors. He does not participate in the operational and regular affairs of the company. Mr. Salman Obaidul Karim is the Chief Executive Officer. He is responsible for all day to day management decisions and for the routine business operation of the Company.

The separation of this position and role from those of the Chairman ensures the compliance of corporate governance guidelines imposed by BSEC and also a balance of authority with regard to the Board's decision-making processes.

Roles and responsibilities of the Chairman include:

- Assesses whether the Board is functioning in accordance with the Memorandum and Articles of Association of the company and other applicable laws, rules and regulations;
- Acts as Chair at meeting of Shareholders (AGM), meeting of Board of Directors & reviews and signs minutes of Board meeting;
- works with the CEO to ensure that key issues are discussed by the Board in a timely manner, so that the Board has adequate support and all necessary information to make decisions;
- Provides independent advice and counsel to the CEO;
- Represents the Company as it's figurehead to the relevant stakeholders.

Roles and responsibilities of the Chief Executive Officer include:

- Formulates and successfully implements company policy;
- Develops strategic operating plans that reflect the longer-term objectives and priorities established by the Board and also directs strategy towards the profitable growth and operation of the Company;
- Maintains the operational performance of the Company and closely monitors the operating and financial results against plans and budgets;
- Represents the company to major stakeholders;
- Builds and maintains an effective management team.

Chief Financial Officer

The name of the Chief Financial Officer is Mr. Samaresh Banik. He is the Executive Vice President and also the Head of Finance & Accounts of the Company. He is one of the key members of management team and has been serving as a credible, knowledgeable and trusted resource to the CEO. His certification on the financial statements is disclosed in Annexure 3. Major duties and responsibilities of the Company CFO are as follows:

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

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

Company Secretary

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

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

  Most notably, the responsibility for developing and implementing processes to promote and sustain good corporate governance has fallen largely within the remit of the company secretary;
- Facilitates the distribution of information to the concerned office or person in a timely manner like agenda items for board meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the Company;
- Maintains the necessary link and liaison with the internal organs like Board, Management, different divisions and department and also with the external agencies;
- Performs company secretarial and legal matters in compliance with Companies Act and Memorandum & Articles of Association; arranging and holding the Board meeting, annual generation meeting, extra ordinary meeting as well as taking correct record of proceedings; maintaining statutory books.

Board Committee- Audit & Risk Committee

With a view to enabling the Board to carry out it's responsibilities and duties effectively, Audit & Risk Committee was established as a sub-committee of the Board by delegating certain of Board's responsibilities to this Board committee.

This committee is consisting of three (3) Directors chaired by an Independent Director, Mr. Golam Mohiuddin. Other members are Mr. Salman Obaidul Karim, Managing Director and Mr. Lt. Kamal Ahmed PSC (Retd.), Independent Director.

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

Board Committee- Remuneration Committee

As per BSEC guidelines, it is not mandatory to form remuneration committee. As such the company did not form any remuneration committee or other committee except audit and risk committee. Our human resources department is entrusted with the charge of governance of compensation and remuneration in consultation with the Managing Director and Chief Financial Officer.

Management Team

The Management team of Orion Pharma Limited is involved in managing and running the affairs of the Company. The team is in full control of the Company's affair and is also accountable to the Board of Directors. It builds the confidence of the Board by ensuring that all the activities carried out by them are consistent with high ethical standards.

Name	Status
Mr. Salman Obaidul Karim	Chief Executive Officer
Mr. Samaresh Banik	Chief Financial Officer
Mr. Zafar Ahmed Tarique	Head of Plant
Mr. Mahbubur Rahman	Head of Sales
Mr. Sazed Karim	Head of Administration
Mr. Chowdhury Razzak Haider	Head of Human Resource

During the reporting financial year, two members of previous management team, Mr. Md. Aminul Hoque and Mr. Talim Khasru, resigned from the company and therefore, Mr. Mahbubur Rahman and Mr. Chowdhury Razzak Haider are acting as the new members of management team.

Risk Management & Internal Control

A detailed framework to review significant risks impacting the performance of the Company has been established. It is the responsibility of Audit & Risk Committee to assess the identified risk and to implement the mitigating strategy.

A detailed risk management system is described under the chapter "Our Risk Management System" (page no-). Apart from this, the establishment of the effective strong internal control system in all levels of the organization is the sole responsibility of the Audit & Risk Committee.

Subsidiary Boards

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

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

The Board is aware of the fact that any material issues of the subsidiary companies might have an effect on both the parent company as a whole and its subsidiaries. Therefore, it oversees the operation and performance of the subsidiaries to ensure effective control over the decision making process of the subsidiaries. Mr. Golam Mohiuddin, ID of OPL, has been appointed as the Director of both the subsidiary companies. Under the Subsidiary profile chapter, detailed discussion on the operation and performance of the subsidiaries is disclosed.

Statutory Audit

OPL follows the Companies Act 1994, Securities and Exchange Rules 1987 and BSEC's notification with regard to the appointment and reappointment of external auditors. Complying with the rules, the audit committee suggests their appointment or reappointment to the board and the board recommends the same for the approval of shareholders at the next annual general meeting. Also the remuneration of the external auditors is also fixed by the shareholders. In addition to this, Orion Pharma Limited conforms to the laws that the statutory auditor can hold the office for a maximum period of three consecutive years & they act independently to provide audited financial statements. Further to that OPL assures the potential stakeholders in respect of corporate compliance by obtaining a Compliance Certificate from a Chartered Accountants Firm who provides his certification based on his audit that we have duly complied with all regulatory requirements of BSEC.

Communication with Shareholders and Stakeholders

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

The Company aims to be transparent with all stakeholders, including the owners of the Company - the Shareholders.

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

Quarterly, Half-yearly and the Annual financial statements are also posted at Company's website to keep all the stakeholders informed about the Company's financial results.

Participation of the Shareholders in the AGM

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

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

Human Capital

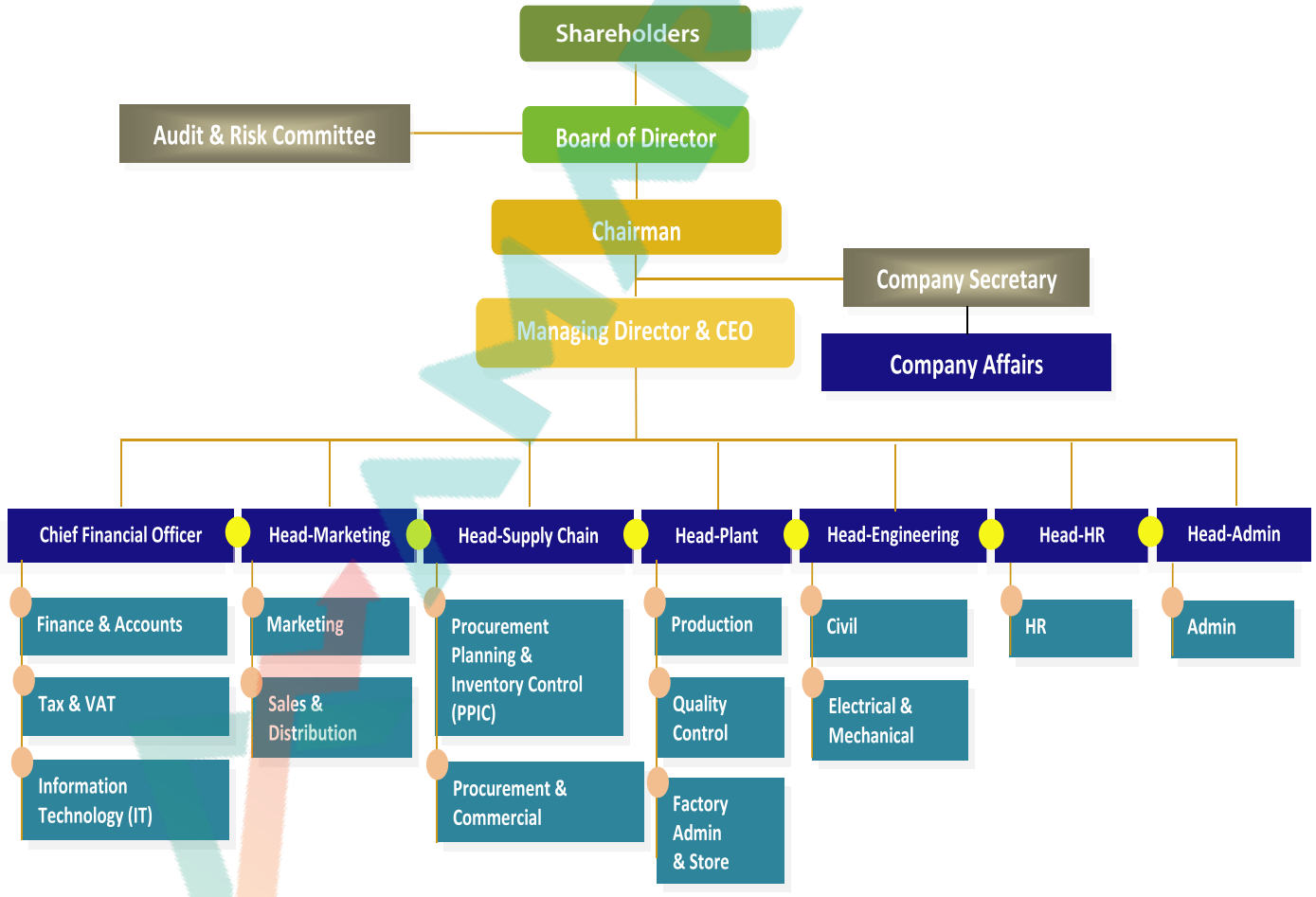
Our People are Our Capital - with the notion in mind OPL ensures high standard business practices by engaging competent work force in every department of the organization. OPL considers human resources as the source of creativities and innovations in continuing and/or upgrading organizational overviews towards excellence, the ultimate objective of Orion Pharma Limited.

With the view to retain competencies in every department, Management always ponders for effective Human Resources Management, which is mostly responsible for grouping qualified professionals like pharmacists, chemists, doctors, engineers and others for steady progress of the Company. A detail report on our human capital is disclosed in our Human Capital Report (Page no 64).



ORGANOGRAM

Orion Pharma Limited's hierarchical organizational structure follows the layout of a pyramid. The Board of Directors of OPL works on behalf of the shareholders for the best interest of the Shareholders since they are not involved with the activities of the Company. Every employee except the Chief Executive Officer (CEO) is subordinate to someone else within the organization. The organogram defining the division and department of Orion Pharma Limited is presented here.



REPORT OF

AUDIT & RISK COMMITTEE

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

The committee is constituted according to the Guidance on Audit Committees by the Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 3. The Committee reports regularly to the Board on the performance of the activities it has been assigned and also lends confidence to the quality of the audit and the credibility of the financial statements.

Membership

Sl. No.	Members	Status with the Committee	Status with the Board
1	Mr. Golam Mohiuddin	Chairman	Independent Director
2	Lt. Col. Kamal Ahmed PSC (Retd.)	Member	Independent Director
3	Mr. Salman Obaidul Karim	Member	Managing Director
4	Mr. Md. Ferdous Jaman	Secretary	Company Secretary

The Audit and Risk Committee comprises of 3 (three) members of whom 2 (two) are Independent Directors with extra-ordinary corporate business experience, nominated and appointed by the Board. It is chaired by Mr. Golam Mohiuddin, an independent director, duly selected and approved by the Board. He is also available at the Annual General Meeting of the Company to answer queries about the work of the Committee. The Company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the Committee.

Each member of the Committee is competent in financial matters and has adequate relevant knowledge and experience to equip the committee to carry out its responsibilities. The qualifications of each member are set out on pages 23 and 25 of this report.

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

Meetings and Attendance

Members	Status	Meetings held	Meetings attended	%
Mr. Golam Mohiuddin	Chairman	5	5	100%
Lt. Col. Kamal Ahmed PSC (Retd.)	Member	5	5	100%
Mr. Salman Obaidul Karim	Member	5	5	100%

This table demonstrates the attendance of members at Committee meetings. During the year ended June 30, 2017, 5 (five) meetings were held and all members were present in all meetings of the Committee. Mr. Md. Ferdous Jaman, Company Secretary also attended all the meetings to act as the secretary of the Committee.

Functions

The Committee reports that the role and responsibilities of Audit and Risk Committee are set out in formal written terms of reference which is governed by the abovementioned BSEC notification. The Committee's responsibilities include, but not limited to, the following matters:

AMARSTOCK

Financial Statements and its Reporting Process

- Oversight of the quality, fairness and integrity of OPL's financial reporting process;
- Review of the quarterly, half yearly and annual financial statements and accounting policies and principles for the Company and all Subsidiaries and upon satisfaction of the review, recommendation of the same statements to the Board for approval.

Risk Management and Internal Control Arrangement

- Oversight of risk management and internal control process and assessment of the Company's exposure to the significant risks described on pages 45 - 52. of this report.
- Review of the Management Letter and Letter of Internal Control weakness issued by the statutory auditors on the effectiveness of the systems designed for internal financial control and risk management.
- Review of statement of significant related party transactions submitted by management.

External Auditors

- Assessment of the external auditors' performance, qualifications, findings and recommendation and the recommendation of external auditors' appointment, re-appointment or removal to the Board.
- Assurance of the independence of external auditors from any material non-audit services including appraisal or valuation service or fairness opinions, financial information systems design and implementation, book-keeping, broker-dealer services, actuarial services and internal audit services.

Internal Audit Function

- Oversight of the performance and effectiveness of internal audit function and their report stating major findings of the internal investigations and management response and where necessary, making sure that the appropriate actions is taken.

Reporting to-

Board of Directors

It is mandatory for the Committee to report and inform the Board of Directors from time to time about its regular activities and any material defects in internal control, conflict of interest and any other matters necessary to ensure the true and fair view of the financial statements.

Regulatory Authorities

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

Shareholders and Other Interested Parties

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

During the year under review, the committee met five times to discharge its duties and responsibilities and accordingly forwarded their reports to the Board. Besides, there was no other issue having significant material impact on the Company's Financial Statements which needed to be disclosed to the Board or the Regulatory Authorities. It presented here-under it report for the shareholders and other interested parties.

Audit and Risk Committee Report to the Board of Directors of Orion Pharma Limited

Dated: November 09, 2017

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

Subject: Audit and Risk Committee Report for the year ended on June 30, 2017.

Dear Members of the Board:

I, the undersigned Independent Director and Chairman of Audit and Risk Committee on behalf of the members of Committee, do hereby declare that the committee has pleasure in submitting its report to the shareholders as required in terms of the condition No.3.5 of the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

During the reporting year, the Audit and Risk Committee's principal activities included consideration of financial reporting system, risk management and internal control system, internal audit function and matters related to external auditors.

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

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

Moreover, the Committee did not find any material deviation, discrepancies or any adverse findings in the areas of reporting and disclosures and did not receive any findings of management through management letter and any weakness in internal control through letter issued by statutory auditors.

The committee ensures that the external auditors were not engaged in any material non-audit work of the Company.

M/S. Ahmad & Akhtar, Chartered Accountants, were the External Auditors of Orion Pharma Limited for last reporting year. However, they have expressed their willingness to carry on the office as the Statutory Auditors of the Company for the next year. Being eligible, the Audit Committee recommends M/S. Ahmad & Akhtar, Chartered Accountants, to be re-appointed as the Statutory Auditors of the Company for the upcoming financial year.

On behalf of the Committee

Sd/-
Golam Mohiuddin
Chairman
Audit and Risk Committee

AMARSTOCK

Terms of Reference of the Audit and Risk Committee during the FY 2016-17:

During the reporting year	2016			2017	
Agendas considered and discussed	September	October	November	January	April
	Q4	Annual	Q1	Q2	Q3
1. Financial Statements and its Reporting Process:					
Oversight of the quality, fairness and integrity of OPL's financial reporting process	✓	✓	✓	✓	✓
Review of the quarterly, half yearly and annual financial statements and accounting policies and principles for the Company and all Subsidiaries and upon satisfaction of the review, recommendation of the same statements to the Board for approval.	✓	✓	✓	✓	✓
2. Risk Management and Internal Control Arrangement:					
Oversight of risk management and internal control process and assessment of the Company's exposure to the significant risks	✓	✓	✓	✓	✓
Review of the Management Letter and Letter of Internal Control weakness issued by the statutory auditors on the effectiveness of the systems designed for internal financial control and risk management.					
Review of statement of significant related party transactions submitted by management	✓	✓	✓	✓	✓
3. External Audit:					
Assessment of the external auditors' performance, qualifications, findings and recommendation and the recommendation of external auditors' appointment, re-appointment or removal to the Board.		✓			
Assurance of the independence of external auditors from any material non-audit services including appraisal or valuation service or fairness opinions, financial information systems design and implementation, book-keeping, broker-dealer services, actuarial services and internal audit services.		✓			
4. Internal Audit:					
Review of the performance of internal auditors and adequacy of internal audit function	✓	✓	✓	✓	✓
Review of significant internal audit report and findings and assessed progress on actions taken in response to the audit department reports and findings	✓	✓	✓	✓	✓



Following code of conducts, ethics and conforming to compliance make a difference

1 We believe in respecting each other

Discrimination and Harassment

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

Workplace Safety

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

The Code of Conducts and Business Ethics sets the standard for conducting and running business. It is applicable from members of the Board of Directors to all employees within the Orion. Furthermore, Orion wants to do business with partners whose business practices are consistent with that of us.

When a company puts their employees first and implements proper safety training and education and then enforces it, several positive results happen. Our company has taken many initiatives to ensure safety such as safe equipments and a healthy working environment. We have walk-through metal detectors to ensure no one is bringing guns, knives or any other dangerous weapons into the workplace. Also proper record is maintained whenever outsiders pay a visit to the company. Time and again, it has been established that companies that put safety first turn out higher quality products and our company is no exception to this thought.

2 We have a sense of Ethics in our Business Activities

Families and Relatives

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

Gifts, Meals, Entertainment

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

Bribery and Corruption

Bribery is a form of corruption that involves giving or receiving something valuable to influence or alter the action of an authority figure, such as a government official or company executive. This is strictly prohibited at Orion Pharma Limited. Employees are discouraged to directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Moreover, employees refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof. Employees over here are aware that the offering or giving of improper benefits in order to influence the decision of the recipient, even if he or she is not a government official, may not only entail disciplinary sanctions but also result in criminal charges.

Conflicts of Interest

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

Compliance with Laws, Rules and Regulations

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

Insider Trading

Orion Pharma Limited prohibits the purchase and sale of shares or securities on the basis of potentially share price relevant information which is not yet public. Non-compliance may not only entail disciplinary sanctions, but also result in criminal charges.

We are Committed to Protect Company Assets 3

Confidential Information

Information is a vital asset of a company. Information and data which is not in the public domain is considered confidential and proprietary information. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data.

Again our customers, suppliers and others also may share their confidential and proprietary information with us. We have the duty to properly use and safeguard business information belonging to and shared with the company.

Protection of Company Assets

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

4 We maintain and present accurate data

Maintain Accurate Data

The business information that we work with is vital to our success. We at Orion Pharma Limited keep the data in a well organized and easily accessible manner so that it can give us important knowledge for prudent business decisions, playing a crucial role in business growth strategies and financial reporting. We encourage all employees to use all of this information wisely and carefully to get the best value from it.

Disclose Accurately to the Public

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

Cooperating with Auditors

Standards require auditors to state whether, in their opinion, the financial statements are presented in conformity with Bangladesh Accounting Standards or Bangladesh Financial Reporting Standards and to identify those circumstances in which such Standards have not been consistently observed in the preparation of the financial statements of the current year in relation to those of the preceding period. Orion Pharma Limited is responsible for adopting sound accounting policies and for establishing and maintaining internal control so that it assists auditors in their responsibilities.

Maintain Relationship with Regulators

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

Retention of Records

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

We are Committed to our Customers and our Suppliers 5

Fair Dealings

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

Selecting Suppliers

Orion Pharma Limited believes that supplier relationships are critically important to the health of the business and so the company follows a competitive bid process whenever selecting suppliers and never compromises on quality. We always attain high quality API from world renowned suppliers. We place a lot of emphasis on selecting suppliers who provide good quality goods on a timely manner.



Reporting illegal or non-compliant conduct

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

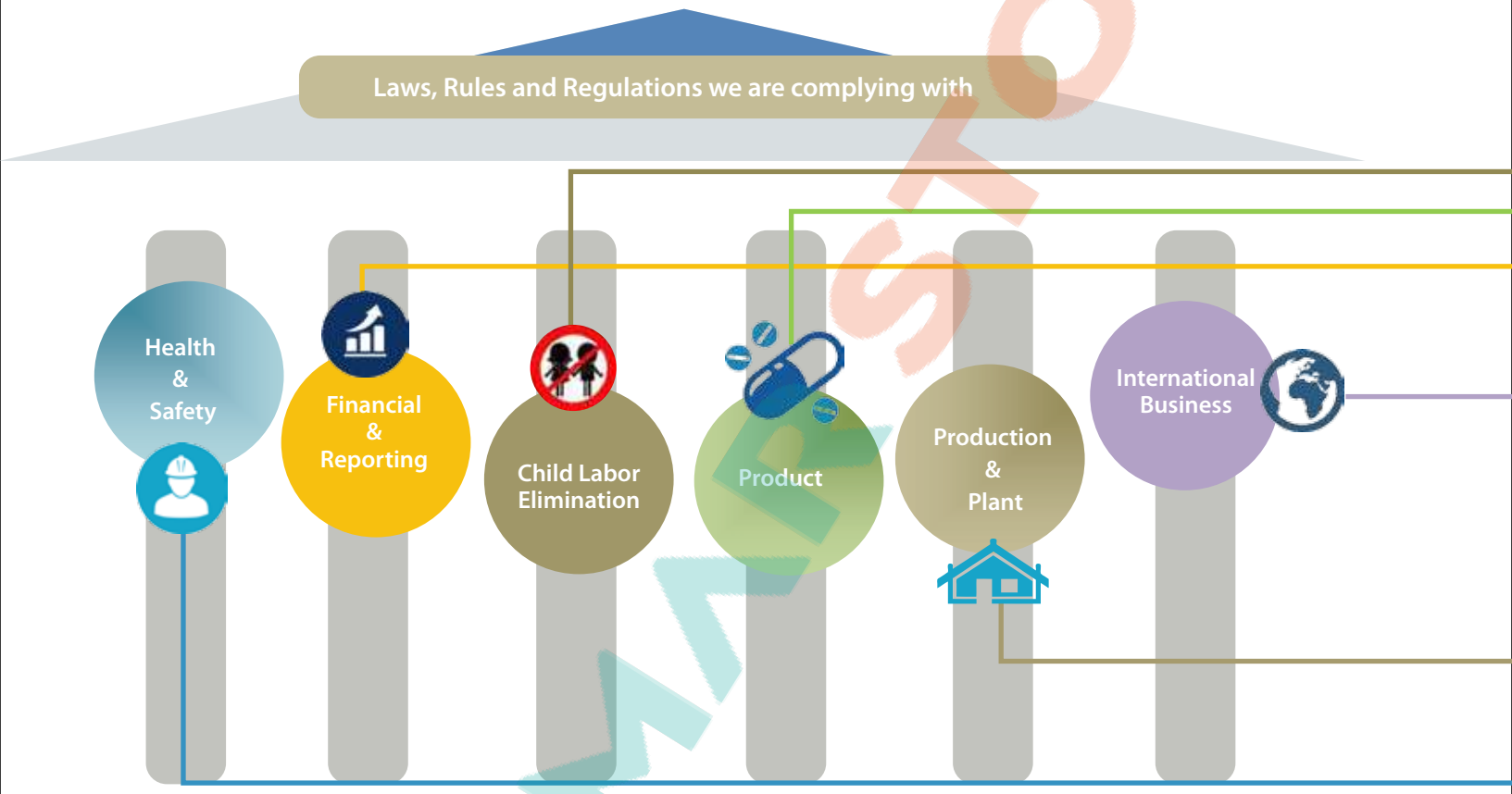
Complain formally to the management

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



ANNUAL STOCK

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



Orion Pharma Limited's Compliance Framework



- National Child Labor Elimination Policy, 2010

- Rules and Regulations of Bangladesh Food & Drugs Authority
- Compliance with World Health Organization (WHO) on Good Manufacturing Practice (GMP)

- Securities and Exchange Commission (Amendment) Act, 2012
- Securities and Exchange Ordinance, 1969
- Securities and Exchange Rules, 1987
- Companies Act, 1994
- Income Tax Ordinance, 1984
- Income Tax Rules, 1984
- Value Added Tax (VAT) Act, 1991
- Value Added Tax (VAT) Rules, 1991
- Statutory Regulatory Order (SRO) of Tax and VAT published time to time
- Money Laundering Prevention (Amendment) Act, 2015
- Foreign Exchange Regulations (Amendment) Act, 2015
- Prescribed rules and regulations of Registrar of Joint Stock Companies
- Bangladesh Financial Reporting Standards (BFRSs)

- Prescribed rules and regulations of Board of Investment
- Customs Act, 1969
- Statutory Regulatory Order (SRO) of Customs published time to time
- Import Export (Control) Act, 1950
- Import Policy Order 2012-2015
- Import Policy order 2015-2018
- Export Policy 2012-2015
- Export Policy 2015-2018

- Bangladesh Environment Protection Act, 1995
- Bangladesh Environment Conservation (Amendment) Act, 2010
- Environment Conservation Rules, 1997

- Labor law, 2013 (Amended)



OUR RISK MANAGEMENT SYSTEM

Building a framework to identify, assess and manage risks

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

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

Principal Risks	Importance of risk	Impact on Capital	Link to material issues	Mitigation process	Status
1. People and Talent					
	Human resources are keys to our success. Risks can come from failure of attracting and retaining sufficient number of quality staff. Again lack of right person in the right place at right time can cause huge loss and fail to achieve the planned growth.	Human Capital 	Employee well-being and engagement 	• Strong Human Resources Team development. • Fair and transparent recruitment process. • Arrangement of succession planning. • Regular training and development programs. • Development in employee leadership and employee engagement. • Remuneration and salary structure based on the industry analysis.	
2. Political Instability					
	Instability & turbulence of the political condition severely disrupt the operation and cause downturn of sales of the business. Political risks cannot be avoided but these can be managed. Sales decreased, production hampered due to strike are some risks arised from political instability.	Financial Capital 	Not applicable 	• Strong Company Affairs Division to stay on top of political risks such as keep up to date information about volatile political climate, macro and micro political risk environment, change in government, new laws & regulations etc. Careful analysis and evaluations of the situations can save the business from business downturn. • Active participation in key policy development & review.	

Principal Risks	Importance of risk	Impact on Capital	Link to material issues	Mitigation process	Status
3. Supply Disruption					
	Disruption of input materials due to machinery breakdown, fire and explosion, faulty design and manufacturing, operating error, interruption of power of suppliers can cause material shortages and production can be hampered at great extent.	Manufactured Capital Natural Capital	Sustainable sourcing Continuous review of operation	• Strong supply chain department. • Inventory management plan development. • Plan to have alternative supply of crucial materials. • Planning meetings are held regularly. • Development of contingency plan.	
4. Liquidity Crisis					
	If we have inability to meet our obligations and expense in time, it will threaten our financial position and our strong existence.	Financial Capital	Ensuring sustained financial performance	• We mitigate the risk by developing strategies and taking appropriate actions designed to ensure that necessary funds and collateral are available when needed. • We have integrated our risk management processes for it.	
5. Product Quality					
	Product quality fall can reduce our image and decline the quantity of sale.	Financial Capital Social and Relationship capital	Product quality	• We comply with significant regulations including ISO, WHO in production. • Regular quality inspection. • Computerized product testing. • Well trained workers.	
6. Market Demand and Competition					
	Presence of significant number of pharmaceutical companies & also the availability of same generic products from	Financial Capital	New product development	• Improving on time delivery. • Improving product quality. • Promoting brand generic through right channel.	

Principal Risks	Importance of risk	Impact on Capital	Link to material issues	Mitigation process	Status
	different companies results in tough competition that we are already facing.		Competition  International opportunities  Brand development 	• Adopting effective and efficient marketing strategies. • Community Engagement.	
7. Information Technology					
	OPL is mostly IT based in its activity. So if these are collapsed, OPL will face operational disruption, loss of data, financial loss and damage to corporate image.	Intellectual Capital 	Not applicable 	• We have developed a strong access security to the server. • Well trained IT department taking care of the security and access over time. • Highly secured software and mailing system. • Awareness campaign.	
8. Health and Safety					
	OPL products are manufactured with sensitive pharmaceutical materials. If the safety and health care is not ensured, it will cause devastating impact to OPL.	Human Capital  Social and Relationship capital 	Occupational health and safety 	• Compliance with ISO, WHO, Bangladesh Food & Drugs Authority and government regulations. • Precautionary equipment to keep things safe. • Training of workers and employees so that they can take care of health and safety.	

Principal Risks	Importance of risk	Impact on Capital	Link to material issues	Mitigation process	Status
9. Stakeholder Relationship					
	Stakeholder relationship is vital for OPL. If it is not maintained well, OPL will lose its trust and the market also. The stakeholders may not step forward if proper relationship is missing.	Social and Relationship capital 	Corporate governance, business ethics and code of conducts  CSR 	• We ensure that each and every potential stakeholder gets proper significance. • We maintain regular communication with related stakeholders. • Provide them necessary data and fulfill their legitimate needs to maintain smooth and reliable relation.	
10. Compliance Issues					
	OPL may lose its market, face damage to corporate image and financial penalty if it does not conform to relevant compliances issues.	Social and Relationship capital 	Corporate governance, business ethics and code of conducts 	• We ensure the compliance in every aspect of health and safety, financial and reporting, quality of product, production and plant, international business and so on. • A statement of compliance is provided here in this report.	
11. Financial Issues					
	Financial risks relates to the interest rate risk and exchange rate risk. Unfavorable movements in the interest rate occur mainly due to Government's monetary policy. Also, unfavorable volatility or currency fluctuation may affect the profitability of the Company in case of foreign transaction.	Financial Capital 	Ensuring sustained financial performance 	• We try to maintain low debt/equity ratio so that adverse impact of interest rate fluctuation is insignificant. • We purchase major portion of raw materials in USD and also export our products in USD. Therefore exchange rate risks are covered by balancing costs and prices of the products.	

Principal Risks	Importance of risk	Impact on Capital	Link to material issues	Mitigation process	Status
12. Corporate Reputation					
	If the reputation falls, it will be difficult for OPL to recover it.	Social and Relationship capital 	Not applicable 	• We comply with every standard and regulation. • We have world class manufacturing plant. • We properly disclose necessary data for govt., customers and other stakeholders. • We maintain a true and transparent process in every step for our business.	
13. Environmental Consideration					
	Failure to make positive contribution to the environmental dimension of sustainability reporting will damage our corporate image.	Natural Capital 	Waste management  Carbon emission and natural resources consumption 	• Maintaining effective waste management. • Adopting air pollution control mechanism. • Reduction of carbon impact strategy will be adopted soon.	

The Board of Orion Pharma assumes the importance of maintaining and following an effective risk management and internal control system for the interest of the financial capital providers, most importantly, the shareholders. Therefore, the responsibility of identifying and determining the nature and extent of emerging risks and also managing those risks are entrusted with the Audit and Risk Committee under the supervision and guidance of Board of Directors. They are also responsible for the design, implement and monitor of effective internal control system at all level of the organization. Along with this, Management team is also in-charged with the tasks of notifying the Audit and Risk Committee immediately regarding any risks or violation of internal control that come to their attention.

Risk Management Framework

Our six steps risk management cycle is as follows:

1. Establish the Context

The Audit and Risk Committee establishes the context considering the internal (mission, vision, goals and objectives) and external context (overall business environment including stakeholders' objectives and perception), the basis upon which risks will be evaluated and defining a framework for the process, and agenda for identification and analysis.

2. Identify the Risks

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

3. Analyze the Risks

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

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

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

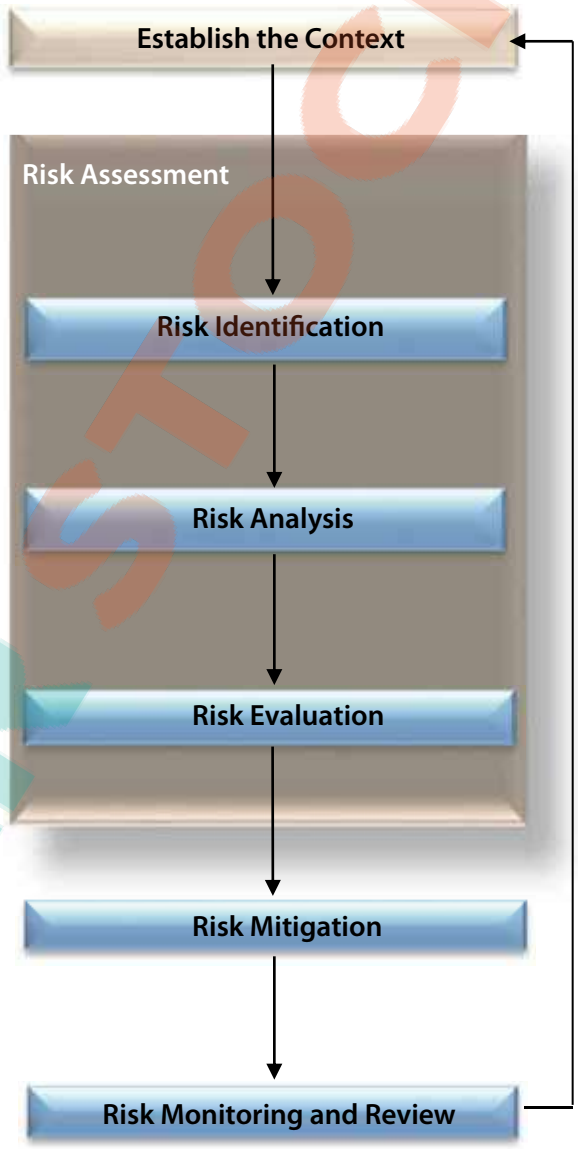


Figure: Risk Management Process

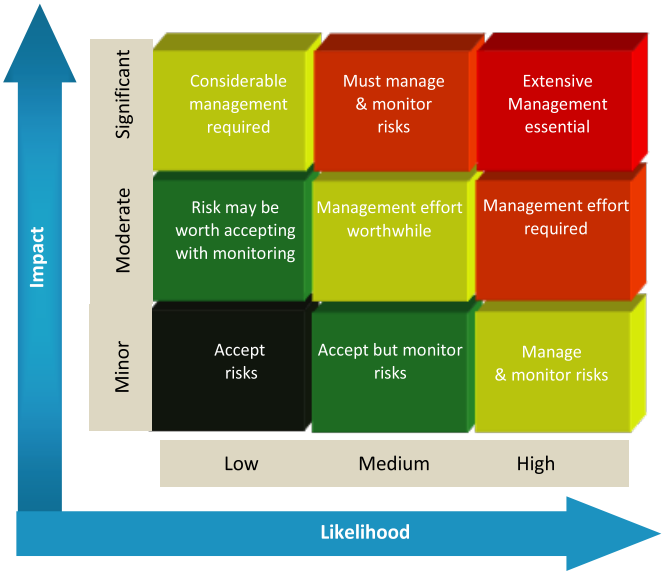


Figure: Risk Heat Map

4. Evaluate the Risks

Risk evaluation involves comparing the level of risk found during the analysis process with previously established risk criteria, and deciding whether these risks are acceptable or require treatment. Ultimately, at this stage we will have a prioritized list of risks that require further action. A risk may be acceptable for any of the following reasons-

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

5. Mitigate the Risks

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

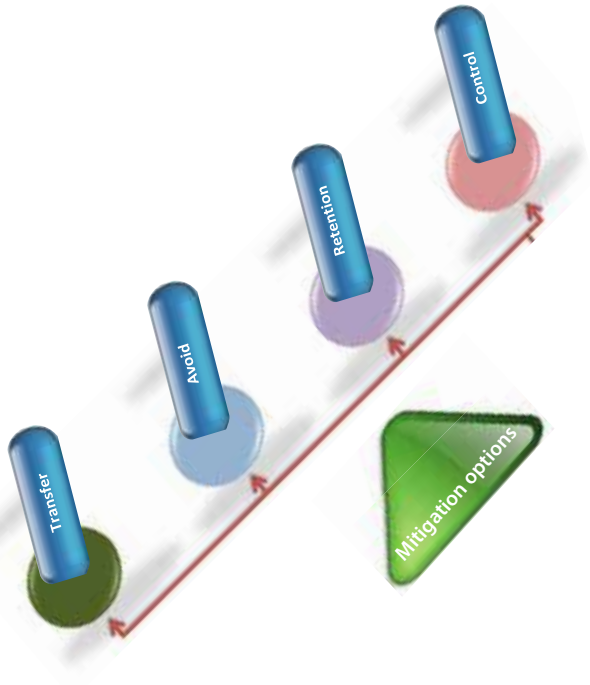
- **Transfer:** Risk transfer is a risk management and control strategy of OPL that involves the contractual shifting of a pure risk from one party to another.
- **Avoid:** If the potential risk far exceeds the potential benefits then risks are avoided by not performing an activity that could carry risk.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

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

6. Monitor and Review the Risks

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

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



Internal Control Framework

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

The Board of Directors is ultimately responsible for the system of internal control. They delegate the tasks of establishing, operating and monitoring the system to the management of the company. The Board set appropriate policies on internal control and the management works based on those policies adopted by the Board. The charge of annual review of the efficiency and effectiveness of the internal control system rests with the Audit and Risk Committee to assure that internal control system is functioning properly and it is up-to-date with the changing business environment.

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

Internal Audit

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

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

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

The bills are sent to the post audit department twice during a month. The department communicates and consults with the concerned department head regarding any error or mistake, if any, Moreover; they also conduct inventory audit at CDC and every depot on a regular basis. A monthly report is also prepared and delivered by this department to the Hon'ble Chairman of the Board regarding their activities and findings during the reporting month.

Financial Reporting Control

In order to provide assurance on the reliability of the financial statements, the company has placed different policies, practices

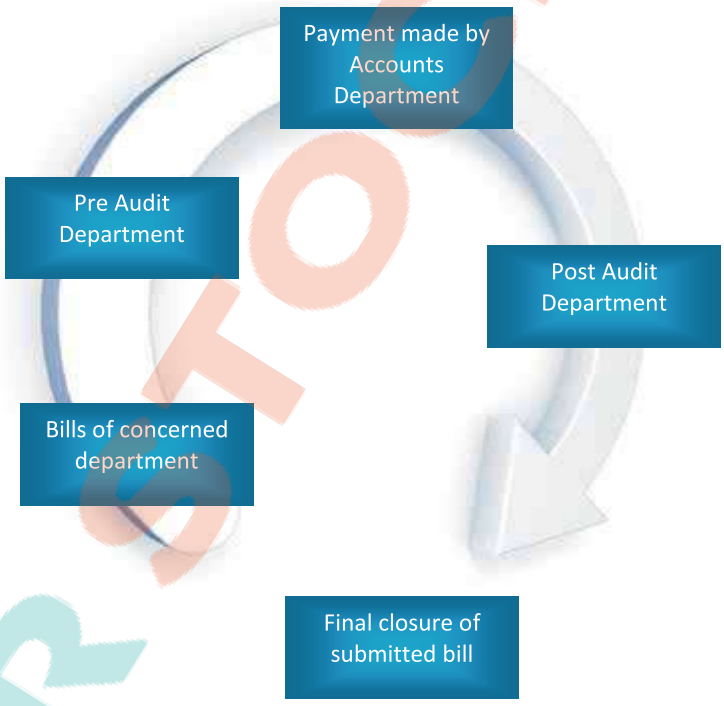


Figure: Internal Audit Function

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

KEY STAKEHOLDERS RELATIONSHIP

REDRESSAL OF GRIEVANCES

Shareholders:

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

Nature of Complaints

OPL provides assistance in following types of complaint:

- To receive copies of the Quarterly and Annual Report(s).
- To re-issue dividend warrants.
- To "Demat"paper shares into electronic shares
- To inspect the minute books of the general meetings and to receive copies thereof.
- To issue Income Tax Certificate deducted at source on Cash Dividend.

Shareholders Grievance Redressal Process



Complaints Received and Redressed

Complaints received and redressed by OPL during the reporting year is as follows:

Sl. No.	Complaints/ Grievances	Received	Redressed
1.	To receive copies of the Quarterly and Annual Report(s)	27	27
2.	To re-issue dividend warrants	71	71
3.	To "Demat"paper shares into electronic shares	82	82
4.	To inspect the minute books of the general meetings and to receive copies thereof	6	6
5.	To issue Income Tax Certificate deducted at source on Cash Dividend	45	45
	Total	**231**	**231**

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

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



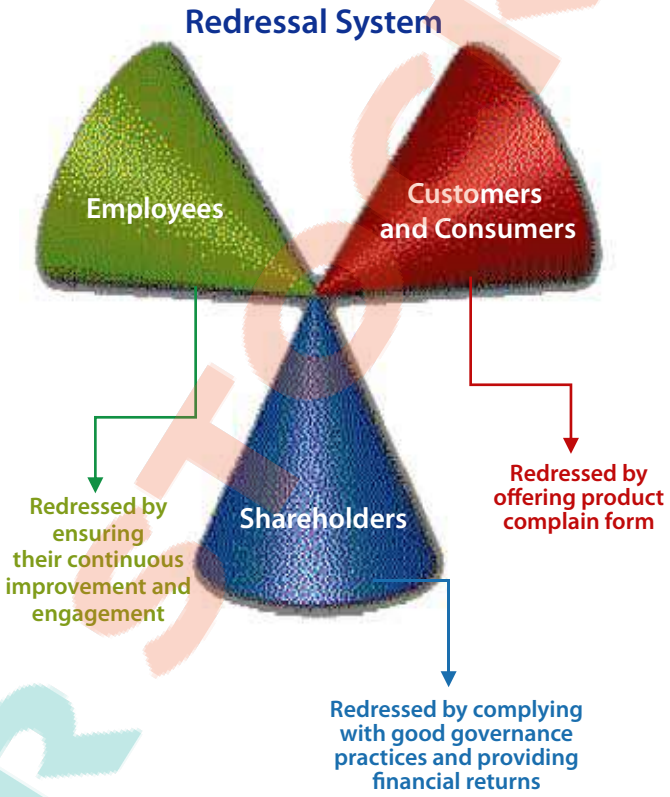
Interaction with general shareholders at the 51st Annual General Meeting

Customers and Consumers:

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

Employees:

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



How we engage with our stakeholders are detailed in pages 92-104



General shareholders at the 51st Annual General Meeting



To make the commuting from home to office and vice versa for the employees convenient and economic Orion Pharma provides transportation facility which relieves the employees from bearing the considerable cost needed for daily commuting and also brings them to office on time. The Company has well equipped and fully air conditioned bus of latest model so that the employees can travel comfortably especially during the summer times and also get a relaxing ride after daylong stress. There are sufficient number of buses and they cover almost all the distant routes of Dhaka.

52nd ANNUAL GENERAL MEETING

of the Shareholders of

ORION Pharma Ltd.

will be held at Officers Club, 26, Baily Road, Ramna, Dhaka-1000, Bangladesh on December 14, 2017.

Queries for AGM
Mr. Mamunur Rashid
Deputy Manager
Tel: +88 02 8870133-34 Ext- 160-62
Fax: +88 02 8870130
E-mail: orion.share@orion-group.net

ORION PHARMA LIMITED

Orion House, 153-154,
Tejgaon I/A, Dhaka-1208

NOTICE OF THE 52nd ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd ANNUAL GENERAL MEETING (AGM) of the Shareholders of Orion Pharma Limited will be held on Thursday, December 14, 2017 at 10.30 a.m. at Officers Club, 26, Baily Road, Ramna, Dhaka-1000, Bangladesh, to transact the following businesses:

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on June 30, 2017 together with the Auditors' Report and Directors' Reports thereon.
2. To declare dividend for the financial year ended June 30, 2017.
3. To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
4. To consider the reappointment of Independent Director of the Company
5. To appoint External Auditors and to fix their remuneration for the financial year 2017-2018.
6. To transact any other business with the permission of the Chair.

By Order of the Board

Sd/-
Md. Ferdous Jaman
Company Secretary

Date: November 07, 2017
Dhaka

Notes:

1. "Record Date" shall be November 29, 2017 (Wednesday).
   Shareholders whose names appeared in the Depository on the Record Date will be eligible to attend the meeting and will qualify for Dividend.

2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, duly stamped, must be deposited at the Company's Corporate Office not later than 48 hours before the time fixed for the meeting and in default, Form of Proxy will not be treated as valid.

3. Annual Report, Attendance Slip and Proxy Form along with the notice are being sent to all the members through post/courier service. The members may collect the Annual Report or the Proxy Form from the registered office of the Company. Admission into the venue of the AGM will be allowed on the production of the Attendance Slip/Proxy Form sent with the Annual Report.

4. Members are requested to notify change of address if any, to the Company.

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

AMARSTOCK



Six Capitals we Use to create values

Financial Capital

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



Human Capital

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



Social & Relationship Capital



The institutions and relationships established within and between communities, group of stakeholders and other networks and the ability to share information to enhance individual and collective well-being

Manufactured Capital

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



Natural Capital



Natural capital includes all renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization

Intellectual Capital

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





Building a strong foundation by using FINANCIAL CAPITAL

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

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

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

However, we are constantly focusing on our actions to sustain growth, develop operations and ensure the highest return for the shareholders and strengthen the financial position.

Funds generated are being used for the maintenance of regular business operation, repayment of loan along with interest expenses, investing activities and dividend payment. The overall financial performance for the FY 2016-17 is available in the Performance and Financial part.

During the reporting year, OPL mainly concentrated on securing foreign financing to minimize the financial expense and in line with this strategy, OPL has a loan agreement with BHF-Bank for purchase of plant and machinery.

Orion Pharma is pleased to inform the stakeholders that the Company has entered into a new loan agreement with BHF-Bank Aktiengesellshaft, Frankfurt am Main, Federal Republic of Germany to borrow up to US$ 34.281 million to partially finance the purchase of new plant and machinery to expand its production facilities. It will be covered by Hermes (German Export Credit Agency Euler Hermes Aktiengesellshaft, Hamburg) guarantee.





The Loan, which is secured on the plant and machinery being purchased, will be drawn down in 2 tranches against pro rata deliveries made/services rendered in accordance with the relevant provisions under the export contract by M/s. Ferrostaal Equipment Solutions, GmbH, Germany and HERMES for ECA premium. The loan will attract interest at the rate of 2.15% per annum above LIBOR in addition. The lender will receive management fees and commitment fees. Repayment will be made over 5 years excluding delivery and commissioning period in 10 equal and consecutive semi-annual payments, the first of which will be due on the earlier of 6 months after the date of commissioning and/or December 15, 2018.

The loan agreement, the terms and conditions of which were agreed by the Company and the Lender on December 07, 2016, was subject to formal approval by the Bangladesh Investment Development Authority (BIDA). BIDA has approved the agreement and has given the permission on February 22, 2017.





Orion Pharma is concerned about achieving gender equality and empowering women. It believes in equal opportunity for women in every aspect of their career and ensures a non discrimination and female friendly environment. Women are designated/ promoted in important positions just as men so that they can also take part in decision making and gets to work with the top management of the company. Beside this, their performances are also evaluated and appreciated equally as men in terms of both performances and salary which motivates the women employee to work with their utmost sincerity. Company's additional facilities like transportation and lunch made the womens' daily working life more convenient which encourage many females to work in Orion Pharma.



Giving first priority to transform our HUMAN CAPITAL

OPL has a group of people whose knowledge, skill, talent and experience are valuable to the economic growth of the company.

OPL believes that everyone has potentials but not everyone can perform according to the potential or cannot develop it properly. That is why education and training are needed. It brings the skills out of the employee. So, OPL invests to the education and training of employees to develop the human capital since human capital is one of most significant aspects of OPL to which it pays a lot of emphasis. OPL considers its human resource as an important value driver from which long term return will be gained. The key human capital factors of OPL are talent, training, experience, health and safety, absenteeism, working conditions, labor relations, diversity, values, culture and leadership.

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

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





Equal opportunity and diversity

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

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

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

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

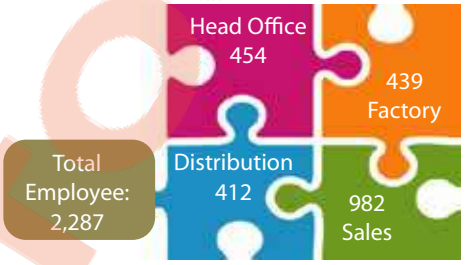
OPL has focused on diversity in workplace from the beginning. Our broad geographic footprint implies that we serve a diverse group of communities. Diversity in workplace is the key factor to success. Different people from different culture, background, gender and age working under the same roof and in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

Diversity in workplace is the key factor to success. Different people from different culture, background, gender and age working under the same roof and in the same group. So the outcome from their work is more vivid and accurate as the work has been stimulated from different angle.

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

Human Capital Indicators

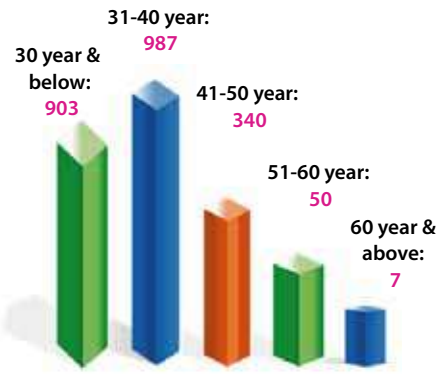
Location Wise:



Grade Wise:

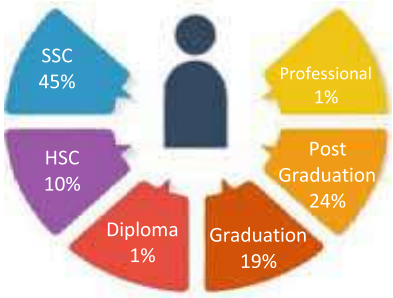


Age Wise:





Qualification Wise: (Sampling Basis)



Employee Recruitment Process

OPL's selection process is a standard way to find out the right person for the right post who can fit OPL's culture. The process includes several steps so that no stone remains unturned to get a member who can contribute to OPL's business. The recruitment process of OPL is a set of multiple activities which is as follows:

- **Source for attracting people**

The first step of recruitment is selecting the source from where we call people for further steps. OPL uses 5 types of reliable sources to attract people to the organization. We use multiple sources so that we can ensure maximum numbers of people are called to the tests and interviews. The sources are:

- Data box search
- Advertising
- Networking and Reference
- Job agents
- Online job sites

We usually receive CVs from many interested people time to time and we store them carefully in data box. These CVs help us sourcing a number of people for potential job vacancy.

Besides that, we make advertisement in newspapers and website announcing the vacancy. This is the source from where we get the maximum responses from interested people.

Networking and referencing is another approach that we follow to get trustworthy people in OPL. We value our current employees and that is why if there are any eligible candidates for particular vacancy, we emphasize on the referenced names to carry forward them in the next step.

Job agents are also a vital source for us. Where necessary, we use job agents to get our desired employees for particular posts. This helps us to get the right person into a short period of time. We often use online job advertising sites where we search for eligible candidates and contact with them personally. This helps us to connect people whom we want.

- **Screening**

After getting job applications or CVs, our first job is to screen the CVs. It helps us to choose people having the right background. And also shortens the list to a standard size.

- **Preliminary interview**

After screening, we call the short listed people for initial interview. It helps to know their expectation and let them know our desires.

- **Selection test**

The candidates, who match with us with their expectation and their eligibility, sit for selection test regarding the job they have applied or called for. It varies from post to post.

- **Employment interview**

After the successful selection interview, the qualified candidates are called for the final interview where details for the job are evaluated.

- **Job offer**

After the final interview, the selected candidates are offered with the job detailing financial and non financial benefits and set a date for feedback.

- **Acceptance**

Getting the job offer, candidates accept the terms and conditions by signing in the appointment letter. It provides OPL with his declaration to work with us and agreement of the terms and conditions.

- **Hiring and induction**

Finally OPL hires the person as a valued employee of the company and provide with every benefit including training and development, financial and non financial benefits.

OPL sometimes fills the vacancies by the current employees when and where possible. Most of the time, it is done through promoting the employee. The promotion is based on performance. Besides, the need is also met up by putting an employee in a similar post. The reference of managers or higher designated persons is taken into account as they work under them.



Remuneration and benefits

OPL believes that to gain sustainability, the Company must contribute to the employees considering their needs according to the competitive market. Our philosophy is to make the appropriate compensation to the service they provide the company. As we emphasize on sustainability, the remuneration system focuses on attracting and retaining them.

The remuneration system is designed and reviewed time to time so that it stands a motivating factor for them. Our remuneration structure contains guaranteed pay, variable pay, benefits and other benefits.

- **Remuneration- Guaranteed Pay**

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

Regular benefit is the employee's salary. Long term benefits are provident fund, gratuity and WPPF. WPPF is provided according to the year's profit. Periodical Benefits include one Eiq-ul-Fitr bonus, one Eid-ul-Adha bonus, performance bonus and leave encashment.

OPL ensures each and every employee's right to get paid the right amount at the right time.

- **Remuneration- Variable Pay**

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

It includes Increment, Overtime allowance, Night Stay allowance, Mobile allowance, field allowance, In-charge allowance, Risk allowance, City allowance, Laundry Allowance and special allowance. The increment of employees is dependent on their performance. OPL has appraisal system for such pay.

Types	Details
Guaranteed pay	**Regular Benefits:** Basic salary, Allowances for house rent, conveyance, Medical and Utilities. **Long Term Benefits:** Gratuity, Contributory provident fund, WPPF. **Periodical Benefits:** Two festival bonuses, Profit Sharing Bonus, Leave encashment
Variable pay **(case by case basis)**	Increment, Overtime allowance, Night Stay allowance, Mobile allowance, field allowance, In-charge allowance, Risk allowance, City allowance, Laundry Allowance, special allowance.
Benefits	Lunch, Snacks, Transportation, Health care, Car, Driver, Car repair and maintenance, Product at discounted price.
Other benefits	Donation on Death, Gifts, Easy purchase of foreign products through company's supply chain.

- **Benefits**

OPL is always concerned about the benefits what are provided to its employees. It helps the employees to be free from the tension of having healthy food during working hour. OPL provides lunch, tea and evening snacks to all the employees every day. OPL arranges feast once a month. Occasionally, it arranges special festival foods too.

OPL provides transportation benefit for every employee. The managers are provided with private cars, drivers, fuels and maintenance cost. For the convenience of employees' journey, OPL has replaced the old buses with new AC buses. Employees can buy OPL's medicines at discounted price.

- **Other Benefits**

We not only pay the employees for their service but also value our employees culturally and socially. Every year a few numbers of employees, on lottery basis, are sent to perform "UMRAH" at company's expenses.

OPL provides different gifts at different festivals to its employees. It provides its employees the scope to purchase products from home and abroad through its own channel which gives the benefit to get the products at cheap rates likes dates at Ramadan, mangoes during Summer Season and so on.

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





Training and development

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

Orion Pharma Limited considers that training is not a privilege to be granted rather it should be invested to employees according to their needs. This year, a significant number of training was arranged on their skills development and efficiency development. 503 number of employees received training through various platforms and professionals.

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

In a competitive market, OPL has to make sustainable human resource as the sustainability of business depends on the sustainability of valued human resource.

Hence a delegated and synchronized strategy is compulsory for OPL. The strategy is involved with our people and works through them as well. Our HR strategy is congruent to our market, business, culture and environment.

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

- **On Job Training**

OPL ensures a continuous process of learning through observing peers or managers and then trying to perform his/her regular duties based on that observation throughout the year. Employees can easily learn through this type of training since they are always on the job. The precise instruction and direction given by the managers as well as the co-operation and support offered by the peers lead to the favorable environment for learning through on job training.

- **Off the Job Training**

Off job training is also offered to the employees time to time. If the manager or the authorized person thinks that an employee is eligible for a professional training, he/she refers him/her for training off the job. Professional body like ICAB, ICMA, and ICSB and so on conduct those trainings. OPL maintains special budget for it.

- **Overseas Training**

Overseas training is also offered for the employees in several countries. Managers, assistant managers and other employees are sent abroad for special training.

- **IT Training**

For OPL, major portion of the employees' works are IT based as OPL uses customized software and ERP for each job. OPL has a well furnished and equipped IT department to make sure that the employees are well trained in IT. Initially, '3 months' IT training is provided for the fresher which is essential in OPL so that the employees are well at using software and hardware.

- **Behavioral & Cultural Development training**

In meetings as well as in monthly workshops, corporate behavioral and cultural training is provided to maintain a good work place. Training is arranged by HRD on manner, ethics and values.

- **Training for Manufacturing department**

Yearly training schedule is prepared for all employees and worker. There is a separate in-house training department for conducting training on various topics of GMP, Cleanliness and Hygiene, Safety, Cleaning Procedure, SOP's, Maintenance, Validation, Filter Changing procedure, Internal Auditing, Self Inspection, Corrective and preventive action, Dress Change procedure etc. If necessary, reputed outside organizations are also called for the training.

ARTISTIC



Talent management & succession planning

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

OPL has invested around BDT 18.17 million during the reporting period for training and development. Nurturing talent can double the ability of the employees. 471 numbers of MPO, AM and RSM were trained upto June 2017. On top of that 729 number of MPO, AM, RSM, SM, ASM DSM received training under a new program introduced this reporting year named 'SKILL DEVELOPMENT FESTIVAL 2017'. Also, 32 numbers of employees from different departments like HR, Accounts, Finance, Tax & VAT etc were also trained up on leadership, communication, tax and VAT, Customs Law and android app as per the recommendation of their respective supervisors.

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

OPL has invested BDT 12.60 million in food and transportation during the period ended on June 2016 which is 44% more than that of 2014. 323 number of employees got promotion in January 2017 as a reward of their performance in 2016.

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

Employee relations

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

During the reporting period, OPL has restructured its salary structure which was a demand of the employees as Bangladesh Government has changed its pay scale. In addition to that, on request of the employee who needs to work after working hours, specific vehicle is assigned to drop that employee to his/her destination.

We are against child and forced labor

Child labor and forced labor are strictly prohibited in OPL since its establishment. The number of child laborer and forced laborer is zero. In our plant and corporate office, there is no worker below 14 years old. We strongly oppose child labor and force labor and obey the National Child Labor Elimination Policy. All our employees work willingly and surveys are made on job satisfaction where around 70% employees have participated. OPL is also working on removal of child labor from society and we yearn to help the underprivileged children of the society so that they can continue their education and do not involve in child labor.

Ethical stance in human resource

Our human resource management always works with the responsibility of adding value to our success and without ethical HR practice the success is not achievable in true sense. So ethical HR practice is a must do condition in OPL. We follow the ethical codes to make OPL a better place for its employees. The basic human and civil rights are strictly followed in OPL so that no employee deprives of his/her rights. We provide them with proper healthy work place, foods, medical service, working hour as per law and prayer time.

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

From 2016, OPL started to assess the employees on monthly basis to make sure that the employees' performance is always under supervision of the authorized manager. It has increased the scope for the supervisors to make their employees developed and also for the employees to make themselves worthy of the yearly increment.

HR strictly follows the privacy code for the employees. As the employees provide with their personal information when they are recruited, we have to keep them private and safe. Their other information such as salary, bank and appraisal related information is also kept private and secured. OPL is committed to keep its commitment to their employees.

Equal employee opportunity is a part of our ethical stance. Each and every employee is equally treated in OPL. No nepotism or flattery is considered and no unethical appraisal is done as per our best of knowledge. Promotion, increment and reward are given based on performance.

Our human resource practice is carried out with due respect, fairness and honesty. OPL respects its employees' belief and culture. Our recruitment process is conducted with utmost fairness and our relation is based on honesty.

Health check program

OPL is promised to be an organization where health of the customers, employees and society members are given the top priority.

Since our inception, we have been showing zero tolerance approach to unhealthy practices in both inside and outside. In the reporting period, we maintained the same zero tolerance to unsafe practices regarding health issues.

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





Training and awareness are implemented to reduce the incidence that creates avoidable injuries. However, our employees are always concerned about their health safety though sometimes they avoid personal physical safety. This threat has been indentified in a small margin but we have increased management supervisory and physical inspection at work time to minimize it.

Staff wellness

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

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

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

PHYSICAL WELLNESS

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

Last year there was only 1 (one) work related injuries with no fatalities due to our full attention to the fact of job safety. Absenteeism of worker is insignificant that shows our concern over the wellness which has been strictly followed by the management and staffs. Besides, we have a medical team comprising professional doctor and staffs in the office.

SOCIAL WELLNESS

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

SPIRITUAL WELLNESS

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

ENVIRONMENTAL WELLNESS

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



OCCUPATIONAL WELLNESS

The occupational dimension of wellness is ensured by OPL so that our staffs are satisfied with their job and eagerly lead life with such job. We provide them with proper work rest, vacation, transportation, reward and promotion so that they feel valued here. As a part of sustainability, we want to retain our staffs and so we give them career wellness accordingly.



INTELLECTUAL WELLNESS

Intellectual value of employees is highly encouraged in OPL. We believe, the intellectual staffs are the key factor for OPL's growth and success. We maintain flexible work environment where our employees can utilize their talent. Our talent management is caring the development of our employees' intellectual development.



Psychological wellness is crucial for professional world. As it can make both positive and negative vive in staffs, our management always keeps them motivated through various initiatives. The job leaver rate against number of total employee has reduced significantly during the reporting year as a result of proper motivational approach.



FINANCIAL WELLNESS

Financial wellness is vital to the staffs and OPL is always careful to it. The financial benefits including salary, bonus, and increment are provided keeping the current competitive market in mind. Loans, advances and other benefits are also provided deliberately. Moreover, the employees' performance is evaluated yearly and financial appraisal is done on the basis of identifying and differentiating the performers and non-performers.



Employee engagement

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

Key Performance Indicators (KPIs)

KPIs	Unit	2016-17
Full time employees	Number	2,279
Part Time employees	Number	1
Contractual employees	Number	7
Casual workers	Number	122
Intern	Number	1

KPIs	Unit	2016-17
Female employees	%	5
Female in managerial position	%	8
Female in Board	%	43

KPIs	Unit	2016-17
Work related injuries	Number	1
Fatality	Number	N/A
Lost days due to work related injuries	Number of Day	21
Employee productivity	Million pcs / employee	0.18
Lost days due to paid absenteeism	Number of Day	600

KPIs	Unit	2016-17
Field force employees received training	Number	471
Field force employees received training Under "Skill Development Festival"	Number	729
Other regular employees received training	Number	32

Initiated "SKILL DEVELOPMENT FESTIVAL" for force field force in 2017

Worked vigorously to develop and update HUMAN RESOURCE POLICY

RESTRUCTURED THE GRADE MATRIX to acilitate employees' career growth



Ensuring high quality standards for our MANUFACTURED CAPITAL

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

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

OPL has constructed its new pharma park which will be in accordance with the 'Current Good Manufacturing Practices' standards of international regulatory authorities like USFDA, UK MHRA, Australian TGA etc. We always use the best machines and plants in order to produce world-class medicines for our consumers.

Sustainable development can be achieved through the efficient use of manufactured capital in production process enabling us to be responsive to the market needs.





Production Capacity

In order to achieve the targeted growth, Orion Pharma Ltd. has increased the production capacity of existing plant by procuring high capacity, sophisticated, 21CFR part 11 FDA regulated compliant production machinery. OPL also started the setting up of new Pharma Park facility at Siddhirganj in Narayangong. The first phase of this project (Pharma Unit-1) is near to completion and will go for operation very soon. After operation of the new plant, the installed production capacity will be as following:

- Number of tablet:
  70,750,000 units per month
- Number of Capsule:
  18,375,000 units per month
- Number of Oral Liquid:
  1,500,000 units per month

The second phase setup of the park (Pharma Unit-2) will have High-tech product, Oncology, Hormone, Sterile, Cephalosporin, Cream & Ointment, Ophthalmic, MDI (Metered Dose Inhaler) facility. Construction of Pharma Unit-2 is going on and selection of the production and QC equipment has been completed.

After operation of the second phase of Pharma Park (Pharma Unit-2), the installed production capacity will be as following:

a) Oncology Products:

- **Number of tablet:**
  1,000,000 units per month
- **Number of Capsule:**
  500,000 units per month
- **Number of Prefilled Syringe:**
  100,000 units per month
- **Number of Lyophilized & Liquid Vial:**
  350,000 units per month

b) Hormone Products:

- **Number of tablet:**
  30,000,000 units per month
- **Number of Capsule:**
  2,500,000 units per month
- **Number of Liquid in Vial:**
  150,000 units per month

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

- **Number of Dry Powder in Vial:**
  480,000 units per month
- **Number of Liquid & Lyophilized Vial :**
  300,000 units per month
- **Number of Prefilled Syringe:**
  280,000 units per month
- **Number of Liquid in Ampoule:**
  1,500,000,000 units per month



Safety Provision

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

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

Extra initiative for new plant at Siddhirganj: The Siddhirganj Plant has been designed following the modern concept of safety guideline. The Safety Manager will be the head of Safety Team and he will be trained specially on all the safety issues with respect to Pharmaceutical Plant Operation and he will work under Plant Manager. Safety department will coordinate and train up manpower for precautions and measurements of hazardous condition. A Standard Operating Procedure (SOP) on safety guidelines will be followed by each and every person in the Plant.

Environmental Consideration

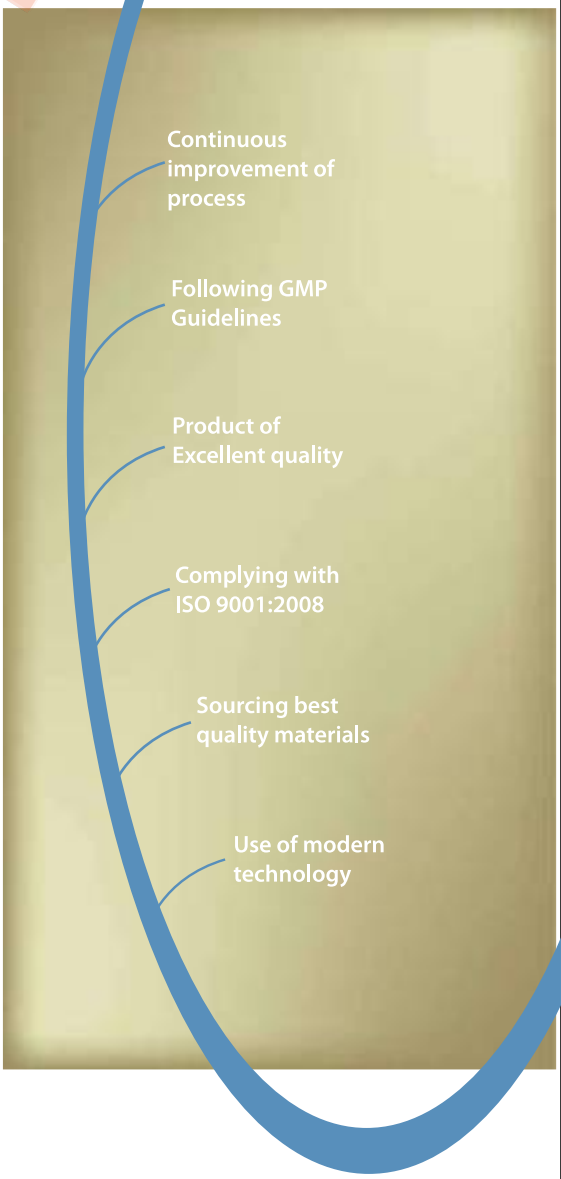
A detailed report on this has been described under the natural capital report.

Quality Policy

Orion Pharma Limited is dedicated to serving its valued customers with products of excellent quality, through continuous improvement in process & technology, sourcing of best quality raw materials, complying with the guidelines of Good Manufacturing Practices (GMP) and the requirements of ISO 9001:2008.

The Company was awarded ISO 9001:2008 Quality Management System in 2009 Certified for Manufacturing & Selling of Pharmaceutical Products which is also being followed by OPL.

Currently ISO 9001:2015 Standard (The latest version of accreditations of ISO) is being implemented globally. Now the company is working for achieving the latest standard. As of now, the partial audit (stage-1) has already been completed buy TUV, Austria and it is expected to be completed within a very short period of time.



AMPSTOCK

Our Manufacturing Process

Input Stage





- Receiving of raw material (API & Excipients) and packaging material and performing receiving inspection as per standard procedure (SOP), keeping record accordingly.
- After receiving inspection, the material is kept in 'Quarantine area' fixing the Quarantine label and at the same time the store officer informs to QC department about the material and collect sample for analysis.
- As soon as information slip is received from warehouse, the QC officer collect sample as per SOP
- After collecting the raw materials, the QC officers perform the identification, potency determination and others necessary test of the material and prepare a report of the same and take approval from QC Manager.
- After analysis and approval from QC Manager, The QC officer fixes QC pass label on the container.
- When the QC officer fixes the QC pass label, the store officers shift the material from Quarantine to specific area for material preservation.
- QC department also gives a retest schedule after certain interval for evaluation of the quality of the materials.
- Production department issues an online requisition to warehouse for material issue of a product to be produced and at the same time issue a Batch Manufacturing Procedure of the same product.
- As soon as the warehouse receives the on line requisition of the products, the store officer collects the material as per BOM (Bill of Material) and prepares the dispensing room for proper condition and maintains various records according to SOP.
- Both Store officer & QC Officer will check the cleanliness and proper temperature, humidity and others necessary condition for dispensing and give approval for dispensing.
- Dispensing operator will weigh the material as per requisition and store officer and QC officer will check the weighing activity and ensure the right material and right quantity in right container.
- After dispensing, production officer will collect and do the weighing back of the material.

Process Stage



Production Process

Output Stage



Final Products

- Production officer will prepare the room and machine for the next product according to plan. Both production officer and IPC officer will check the cleanliness and ensure the absence of previous materials and finally they will give approval for production.
- Orion Pharma produces products into six delivery system or dosage forms. Six dosage forms are tablet, capsule, dry syp, oral liquid, cream & ointment and injection. Manufacturing procedure of every dosage form is different from others.

  Orion Pharma processes the medicinal product according to validated standard written procedure.
- The production operator and officer will follow the written SOP and keep record of their activity in the blank.
- During production, Quality Assurance Department will check the In process Quality at every step of the manufacturing and ensure the quality in every steps.
- After completion of every sub process, QA collects sample for analysis and send to QC department for evaluation.
- After evaluation, the QA department fixes the passes label on the container and gives approval for next steps
- Both production and QA officer also maintain and ensure the prerequisite environment and regulatory condition of the products.
- After packaging of the product, it will be called finished product. The QA Manager will review all the relevant documents and if satisfied she/he will give approval for distribution or sales.
- QA department also keeps the representative sample from every batch up to shelf life for monitoring of the batch which is already distributed for sales.
- QA department also performs the real time stability study up to shelf life for further development.
- Before launching of a new product, R&D department will develop the new product and perform accelerated and real time stability study.

Key Manufacturing Facilities, Equipments and Technology

Facilities	Equipments	Technologies
 Tablet	• High Shear Mixer • Fluid bed Dryer • IBC Blender • Fette tablet press • Manesty tablet press • Pam Glatt Coater • Blister packing machine	• Sophisticated modern machine for pharmaceutical tableting & packaging technology • 21 CFR part 11 & GAMP 5 compliance machine. • Capable to automatic product sampling, In process control in order to ensure quality.
 Capsule	• IBC Blender • Automatic capsule filler • Blister packing machine	• Encapsulation technology with automatic sampling & In process quality control.
 Powder for suspension	• IBC blender • Augur Filler	• Accurate powder for suspension filling technology.
 Oral Liquid	• Mixing vessels with online homogenizer • Automatic liquid washing, filling	• Liquid mixing & filling technology with homogenous and fine particle size distribution. • Automatic washing, filling & labeling without hand touch.

SMARSTOCK

Facilities	Equipments	Technologies
 Cream and Ointment	• Emulsifier • Tube filling machine	• Emulsification technology for preparation of Cream & Ointment.
 Injection	• Vial filling machine • Ampoule filling machine	• Aseptic technology for vial and ampoule filling.

Fire Detection and Fighting System

Intelligent addressable fire detection system is also used. All the areas including production, warehouse, and utility areas is covered by smoke detectors and heat detectors. Fire drills are done once in every six months and training is provided to the personnel who is the member of the fire team.

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

Pest Control

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

Handling of Hazardous Chemical

A special care and training has been planned for the safe handling of Hazardous chemical. Separate SOP is issued in this matter. In the Plant design several measures has been taken like:

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

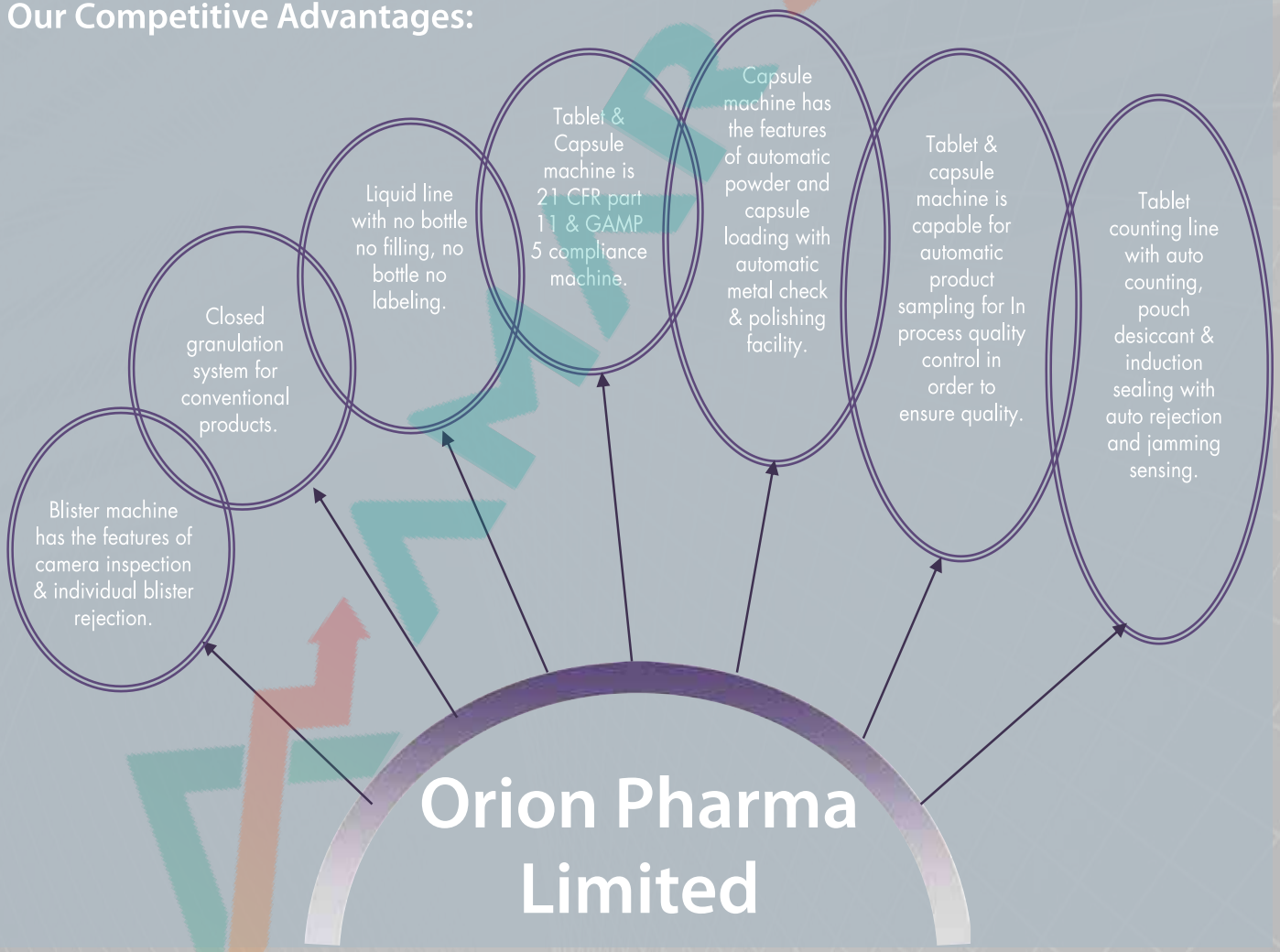
AMARSTOCK

Key Performance Indicators (KPIs)

Production for the last five years from our facilities is represented below:

Item	Unit	2016-17	2016	2014	2013	2012
Tablet & Capsule	Million Pcs	**407.53**	703.32	380.20	379.45	382.98
Oral Liquid, Injection, PFS, Cream & Ointment	Million Pcs	**12.46**	22.30	12.47	12.31	10.80

Our Competitive Advantages:





Creating Competitive Advantage from INTELLECTUAL CAPITAL

The striking evidence of our intellectual capital is our Research and Development (R&D) Department as well as the knowledge, experience, expertise used by the human resources. The human resources part has already been depicted in human capital.

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

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

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

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

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





Our R&D team works closely with our marketing and product management team to generate innovative concepts and ideas to introduce new medicines as per the market demand.

The strategies of R&D team for the development of new products focus on:

- To provide the best formulation ensuring with the maximum product stability.
- To provide an improved formulation with greater patient acceptability.
- To minimize the product cost.
- To design eco-friendly formulation.
- To maximize the productivity.
- To ease the manufacturing process.

Objectives considered for the development of products

Over the years, we have developed expertise; gathered experience in chemistry, analytical techniques, and dosage forms and our research strategy and implementation are well supported by these expertise and experience.

Our research and development capability has not only earned significant revenue in terms of business, but also helped us to achieve an enviable reputation for our quality and capability. The proof behind this is that there are various products we developed for the 1st time in Bangladesh and quite a few that are for the 1st time by any local medicine manufacturer.

Key Performance Indicators (KPIs)

New products Development:

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

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

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

Our R&D team has always been working to create a competitive pipeline and consistently deliver pharmaceutical products according to the unmet medical needs - our mission to contribute for the improvement of people's heath.

This also supports our vision of becoming a world-class pharma company in the field of generic finished products.



Forming the basis of trust and reputation by developing SOCIAL & RELATIONSHIP CAPITAL

Orion Pharma Limited's social and relationship capital focuses on strengthening its relationship with potential stakeholders.

The very reason of our existence is to do much more than making money - solving social and environmental problems.

BDT 6.2 million
has been spent on Corporate Social Responsibility during the FY 2016-17

SOCIAL CAPITAL

We have always given utmost importance to our social capital. We believe that being a socially responsible business organization not only provides sustainable business models, but also have improved marketing, human resource, employee satisfaction, customer loyalty, brand perception, and simultaneously helped to satisfy the demand of potential stakeholders accordingly.

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

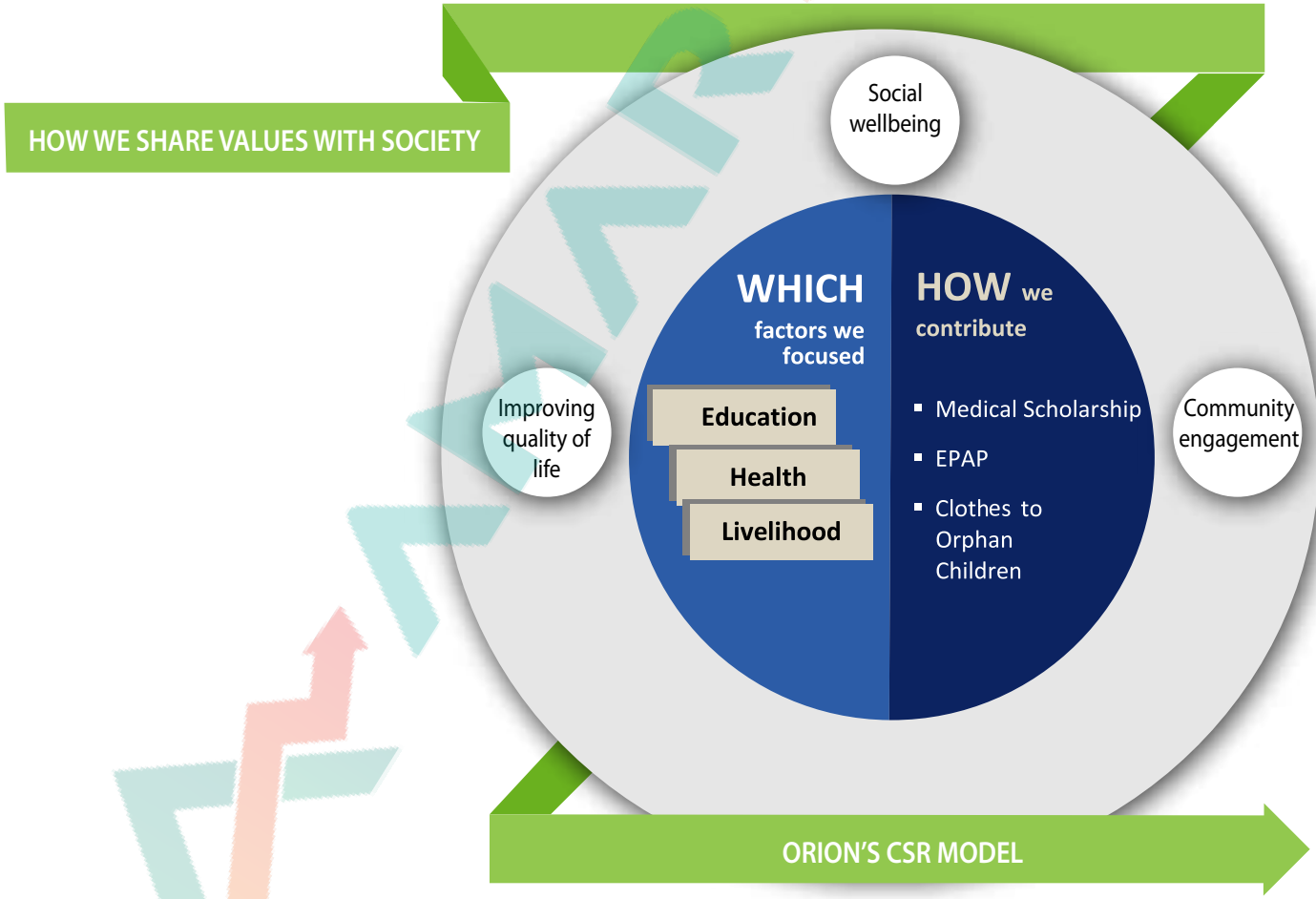
With a view to supporting social causes, improving community well-being, and/or protecting the environment, OPL has been involved in various types of societal activities as our corporate social responsibility over a long period of time. Corporate social responsibility allows us to do our bit for the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

Our Company feels that it has a responsibility not only towards the society but also its employees. We promote social responsibility in the workplace as it builds a positive environment for our employees.

We also believe that it will provide us long term growth and success by building a warm image of the entity, which is a reflection of the mind-set of the owners of the Company.

OPL's Medical Service Department overseas and reviews the CSR initiatives undertaken during the financial year and the fund required for these CSR is disbursed from "ORION PHARMA WELFARE TRUST".

The CSR activities we undertake are aligned with our strategic business objectives. The areas of priority are as follows:



Key Performance Indicators

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

EDUCATION:

Orion Medical Scholarship

Orion Pharma Ltd. has decided to be with those masterminds in this voyage towards a noble mission by offering scholarship to those medical students of the country who cannot afford the cost of medical education. Each year the company organizes a ceremony and invites the underprivileged medical students from different Government Medical Colleges all over Bangladesh to reward them with scholarships. During the reporting financial year 5 most deserving students have been selected for the scholarship in the event "Orion Medical Scholarship" which was held on February 23, 2017 at the Head Office of company "Orion House", presided by the company Director and Trustee of Orion Pharma Welfare Trust, Mrs. Arzuda Karim.





HEALTH:

Enliven Patience Assistance Program (EPAP)

Being one step ahead on humanitarian ground, Orion Pharma Ltd. is running the Enliven Patients Assistance Program (EPAP) from 2004. In this program the patients with Chronic Mylelogenous Leukemia (CML) can get their Enliven drugs at complimentary price.





After starting EPAP project, majority of CML patients are benefited throughout Bangladesh. Orion Pharma found the new way to help the mankind, not only considering business profit. This particular program is also easing the access to all financially deprived patients in purchasing the drug at an affordable price. Under this program, we provide an average discount of BDT. 80 per capsule which equivalents to 60% of the medicine's actual price. This discount reduces the price of the Enliven capsules which is a small step on behalf of the Company to help cancer patients.

LIVELIHOOD:

New clothes to orphan children

Orion Pharma considers donation to be the most crucial part among its CSR activities because it believes in betterment of livelihood of socially and economically deprived people. This year during the month of Ramadan our company provided clothes and shoes to 60 orphan children of two orphanages located in Jatrabari and Uttara, Dhaka to make their Eid celebration more joyous and cheerful. This is a pleasure for our company to be able to stand beside those orphans when they are in utmost need because Orion believes in equality and willing to help the underprivileged in fulfilling their rightful needs as much as possible. As a part of CSR, Orion will continue to contribute the disadvantaged and deprived group in the society to ensure their improvement in the living standards.

RELATIONSHIP CAPITAL

Relationship capital refers to one of the intangible capitals involving the sharing of information, the solving of problems and the creation of connections, brand and reputation among our stakeholders.

Therefore, Stakeholder analysis is a critical factor to deal with and also for our business success and we are aware that whatever actions we are taking and how we are running our business affect more and more people with the expansion of business.





The positive response from these people helps us to grow our business. On the contrary, their negative feedback can block our way to expand and grow bigger. This is the reason we have carefully identified our stakeholders' interest and concern through conducting impact analysis and developed the way to respond to those identified interests and concerns.

Stakeholders	Why they are important	What matters to them	How we engage with them	Frequency of engagement
Customers	• Main part of our market • Source of revenue • Information provider • Ensure sustainability	• Certification • Quality products • Price • Diversification • On time delivery • After sales service	• Complaint form & Customer satisfaction survey • Maintenance of enhanced & superior communication • Seminars and workshops • The Orion Medical Journal	• The Orion Medical Journal - quarterly • Complain resolved- 3 times • Seminars and workshop- monthly
Customers	• Ultimate users • Eventual market • Final revenue source • Main source of sustainability of the business	• Product quality • Price • Diversified products as per needs • Social contribution • Product information • Compliance	• Market Survey • Website • Integrated Annual Report • CSR • Launching new products	• Integrated annual report- annually • CSR- 3 no. of programs undertaken • New products: Axofyl, Maximox & Palostar
Employees	• Competent employees to attain objectives • Our image holder and contributor to profit	• Job security • Periodic salary review in view of adjusting the cost of living • Transparent recruitment process • Healthy working environment • Training & development • Career growth	• Adjusted salary package • Pick and drop facilities • Training opportunities • Performance reviews & appraisal • Health & safety facilities • Employee meeting • Community and CSR • Employee engagement	• Appraisal- yearly • Pick and drop facilities -each working day • Training- 503 no of employees trained

Stakeholders	Why they are important	What matters to them	How we engage them	Frequency of engagement
Shareholders, Financial Institutions & Analysts	• Invest for the betterment & growth of the company • Accountable to them as they seek return on their investment	• Return of investment • Sustainability and going concern issues • Effective corporate governance • Strategic objectives • Social contribution	• Annual General Meeting • Integrated Annual Report • Regular repayment of debt and declaration of dividend • Website • Regular communication	• Annual General Meeting- Yearly • Integrated Annual Report- Yearly • Financial statements- Quarterly, half yearly & annually
Government and Local Regulatory Authority	• Control & develop policy • Provide license & certificates • Control export import	• Legislative compliance • Corporate governance • Environmental and social credentials • Timely reporting and VAT, Tax payment • Pricing • Product quality	• Discussion, seminar & dialogue • Contribution to national exchequer • Conform to relevant laws & regulations and reporting to Government & regulatory bodies	• Some are on need basis and some are complied for day to day business activities
Suppliers and Contractors	• Supply production materials & operational facilities • On time delivery • Quality of supplied products	• Fair & smooth transaction • Sustainable growth of the company • Fair payment	• Regular interaction • Timely payment to vendors	• Some are on need basis and some are for day to day business activities
Communities	• Sustainability of business • Brand growth	• Ethical stance • Social value creation • Employment • Environmental preservation • Health & safety measures	• Integrated Annual Report • CSR • Social awareness • Surveys • The Orion Medical Journal	• Annual General Meeting- Yearly • CSR- 3 no. of programs undertaken • The Orion Medical Journal - quarterly
Media	• Public perception • Brand image	• Corporate and industrial insight • CSR, Value creation and International Trade	• Integrated Annual Report • Website • Business interview • The Orion Medical Journal	• Integrated Annual Report- Yearly • The Orion Medical Journal - quarterly
Trade Union	• Supports sustainability of business • Supports health and safety issues	• Employee work safety • Salaries and wages • Career development	• Integrated Annual Report • Regular meeting	• Integrated Annual Report- Yearly • Regular meeting- quarterly





Stakeholders' Materiality Assessment

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





Factories should provide a safe working environment for the workers. OPL has been maintaining a safe and sound working environment with all kinds of safety measures for the last couple of years which is a great credibility for the company's reputation. No severe injuries or accidents has been observed in workers in the factory indicating that the equipments are operated under appropriate conditions and the machines are checked on a regular basis by the technicians and the factory workers are provided with proper safety materials to keep themselves protected from any major accidents.

INTERNAL RELATIONSHIP

Our internal relationship represents how we take care of our employees to make sure that they are motivated, rewarded and acting as valued ambassadors of the company.

Annual Sales Conference

The Annual Sales and Marketing Conference 2016 was held at the picturesque Cox's Bazar on December 21, 2016 with the overarching theme of prescription, sales, success. The event was attended by all the sales and marketing personnel of Orion Pharma Limited. The event was made further special with the attendance of the Managing Director, Mr. Salman Obaidul Karim. The honorable Chairman, Mr. Mohammad Obaidul Karim, also joined the event via video conference.

The conference was formally inaugurated by the welcome speech of former Executive Vice President (Sales & Marketing) Mr. Mohammad Aminul Hoque. The Managing Director, Mr. Salman Obaidul Karim was the Chief Guest while the Senior Management Personnel of other functional Departments and members of Sales & Marketing team of Orion Pharma Ltd. along with Medical Promotion Officers were present in this colorful event.

Honorable managing director of Orion Group boosted the confidence and determination of sales staffs to perform better in his speech. Higher staffs of sales team discussed about the strategic issues and gave the sales force clear direction that they will excel in 2017.

The best performing RSMs shared their experiences. The best achievers amongst the sales team of different regions were recognized and rewarded. There was a raffle draw and the session ended with gala dinner.

Bhawal Resort Conference

A conference for Area Managers of Orion Pharma was held on April 16, 2017 with the goal of honing the leadership skills of the area managers. The event was held at the luxurious Bhawal Resort, Gazipur. The honorable Chairman, Mr. Mohammad Obaidul Karim, Founder Director, Mrs. Arzuda Karim, and the Managing Director Mr. Salman Obaidul Karim graced the event with their presence.

The honorable Chairman, Founder Director, and Managing Director talked about their experiences in leadership and successfully instilled in the Area Managers the confidence required to run their sales forces. Their riveting speech greatly encouraged area managers and senior managers of sales team in pursuing their skill, knowledge and experience to drive their team members to achieve business objective.

Fun and Celebration

Orion Pharma Limited is a culturally diversified organization practicing culture with value. We believe that culture integrates us with our people, community and society. We celebrate the key religious, cultural, traditional and international occasions with our people by which our bonding gets stronger.

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

Orion Pharma believes that employee plays a crucial role in company's breakthrough in terms of performance and revenues. An employee, who serves the company for a significant period of time with commitment and dedication to the contribution and to the growth of the company, is assumed to be equally passionate about the company just as the owner thus our company never misses the opportunity to bid farewell to them with a heavy heart and best wishes for their success ahead. We believe that employees who leave the company are the carrier of the culture and values of OPL to another organization. Therefore, we regularly persuade our employees, to ensure employees always have refreshed mind and soul, to participate in various events along with performing their job responsibilities. Saying goodbye to the colleagues leaving the company is not a matter of disgrace or dishonor for us rather we positively consider it as a way to spread Orion's culture and values adopted by the leaving colleagues from Orion.

Highlighting one example of such farewell can be of Mr. Faisal . R . Ferdous, Assistant Vice President of Human Resource Department. He served the company for 6 (six) years and a farewell party was arranged by his department where both his junior colleagues and the top management were present to pay a tribute for his loyalty, contribution, commitment. It was a pleasure for OPL to had such a dedicated and hard working person as our employee and Orion Pharma will always be grateful for his sincere contribution to the company.

Organizing cricket match and football match by employees and staffs is another example of our friendly corporate environment. Such kind of tournament is sponsored by the company and many of the top management personnel attend the match to cheer the participants up.

The main theme behind arranging this corporate event entertainment is "we want to create a little fun across the Orion Pharma Family". This year Football matches between the drivers and peons were arranged in May 2017 and the games were held in the BG Press Field. One team was comprised of workers who have been working in Orion for more than three years and the other team was comprised of workers who have been in the Company for less than three years. These matches have created an opportunity for the employees to spend some amusing time together.

Training and Development

Orion Pharma Limited believes that that our employees are the greatest assets of our company and they are the ones who works hard and soul to attain our goal. So our aim is to not only invest into the business and market but also in their human, professional and skill development.

OPL believes that everyone has potentials but not everyone can perform according to the potential or cannot develop it properly. That is why education and training are needed. It brings the skills out of the employee. So, OPL invests to the education and training of employees to develop the human capital since human capital is one of most significant aspects of OPL to which it pays a lot of emphasis.

More than 470 employees received MPO Training during July 2016 to June 2017. A new initiative was also taken by the Training Department of our Company from this year named the 'Skill Development Festival 2017', where MPOs were taken to lucrative outdoor locations to develop their expertise in a festive mood. We are the pioneers to introduce these sessions in Bangladesh. Through these Refreshers sessions, employees gather knowledge on Leadership, Communication and Strategy.

SOME SNAPSHOTS

of our efforts to maintain internal relationship



The Annual Sales and Marketing Conference 2016 was held at Cox's Bazar on December 21, 2016 with the overarching theme of prescription, sales, success. The Managing Director, Mr. Salman Obaidul Karim, was present at the conference and the honorable Chairman, Mr. Mohammad Obaidul Karim, also joined the event via video conference.

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We celebrate the key religious, cultural, traditional and international occasions with our people by which our bonding gets stronger. We celebrate "Pohela Falgun," "Pohela Boishakh" and the "English New Year". Organizing friendly cricket and football match by employees and staffs is another example of our friendly corporate environment.

A new initiative named the 'Skill Development Festival 2017' was adopted from this year by the by the Training Department of our Company, where MPOs were taken to lucrative outdoor locations to develop their expertise in a festive mood. We are the pioneers to introduce these sessions in Bangladesh.



EXTERNAL RELATIONSHIP

Our external relationship mainly comprises how we deal with external stakeholders like customers, shareholders, community etc.

CUSTOMERS

Customer Complain Form

Customers are the main source of our income. As the pharmaceutical market is already saturated and many substitute products for a medicine are available in the market, it is one of the most important factors for us to create scope for customer to provide feedback on our products or to voice regarding any complaints related to our products or services. A customer complaint highlights a problem where we can investigate and improve to prevent further complaints in the future. At OPL, customers can provide their feedback or complaints, if any, by filling up a "Customer Complain Form" available to each depot. Customers can collect the form from the respective areas field force and after writing the problems they have faced and seek solutions, they can give back it to them. Then the field forces send it to their respective depots and subsequently our sales and PMD department receive the same from depots.

After that, the quality assurance department, which is mainly responsible to deal with this matter, after receiving it from Sales and PMD department, works on it to solve the problems and ensure no repetition of same problem in the future. During the financial year ended June 30, 2017, only 3 (three) complaints, no major issues, were received from customers.

We have Standard Operating Procedure (SOP) on Management of Customer Complain. We deal with all complains as per our SOP.

SHAREHOLDERS

Dedicated Share Department

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

- Transfer of Shares;
- Transmission of Shares;
- Appointment of nominees;
- Registration of Powers of Attorneys;
- Changing name;
- Updating change in addresses of shareholders;
- Issue of replacement /split/ consolidation of shares certificates;
- Payment of dividend, revalidation and issue of duplicate warrants;
- Copies of the Annual Report;
- Registration of Bank Mandates (Bank name, Account no., Bank address, Bank MICR number) in case of shares held in physical form;
- Issuance of Income Tax Certificate deducted at source on Cash Dividend;
- Keeping shareholders informed of developments and events that may influence the share price, in a transparent manner through PSI.

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

AMARSTOCK

COMMUNITY

Medical Service Department

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

The MSD carried out many programs in the financial year 2016-17 which included organizing Scientific Seminar, Round Table Meeting, Rural Promotional Campaign, Intern Doctors Reception Program and many more.

Scientific Seminar is a Continuous Medical Education program (CME), where individual departments or host institutions present a particular research based case study with medical professionals and learners. OPL conducted Scientific Seminars in the financial year 2016-17.

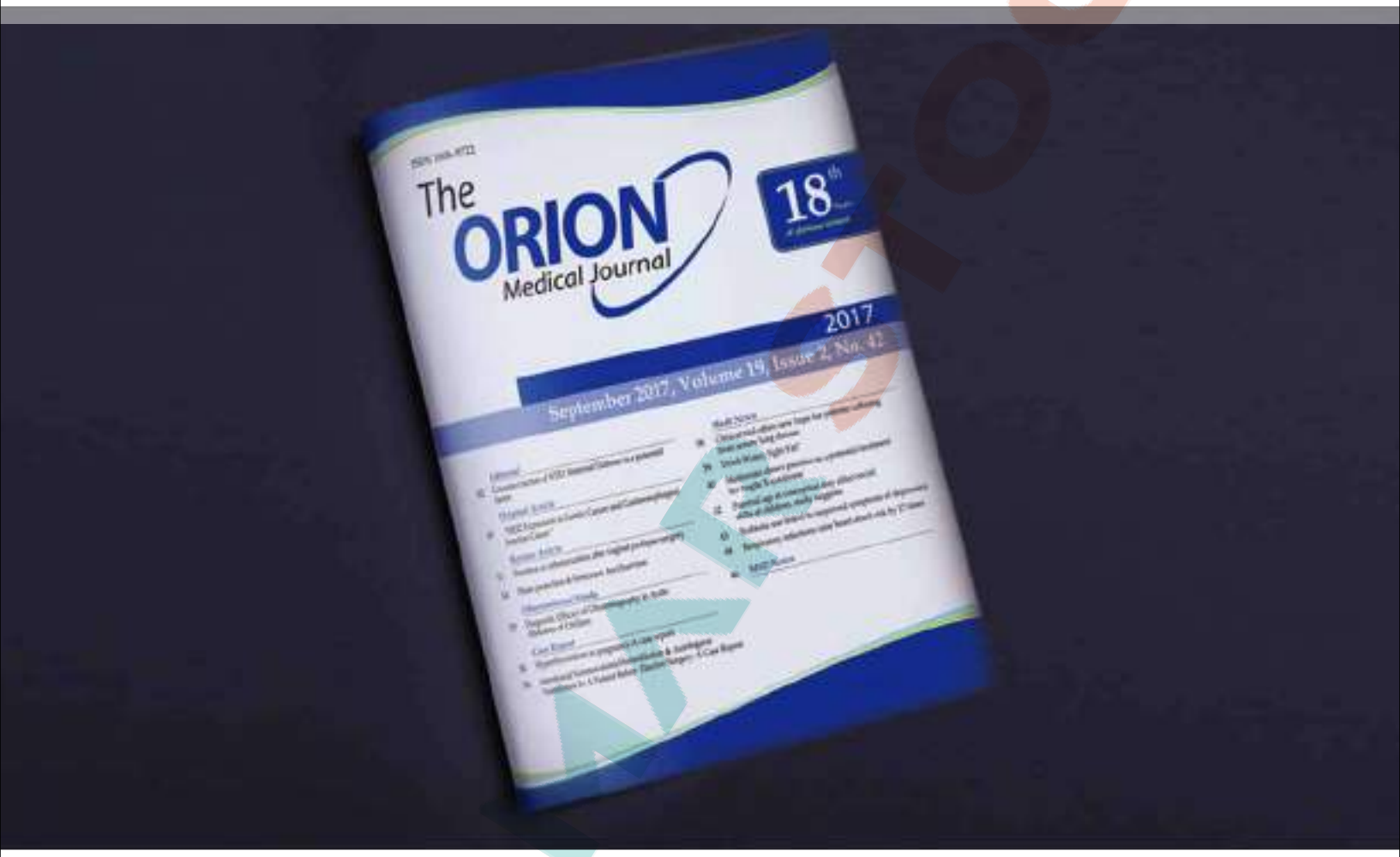
Round Table Meeting is a gathering of a small group of doctors of an individual department or section of host institution or a medical college. OPL conducted Round Table Meetings in the financial year 2016-17.

Rural Promotional Campaigns are conducted among Diploma in Medical Faculty doctors, who work as a community based health service provider. Such campaigns help to increase the involvement of rural level medical professionals with the Company. OPL conducted Rural Promotional Campaigns in the financial year 2017.

Other than these, OPL also conducted Intern Doctors Reception Programs in the financial year 2017, where many interns and doctors participated to acknowledge and celebrate the internship of interns.

AMARSTOCK

THE ORION MEDICAL JOURNAL



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

SOME SNAPSHOTS

of our efforts to maintain external relationship



The MSD carried out many programs in the financial year 2016-17 which included organizing Scientific Seminar, Round Table Meeting, Rural Promotional Campaign, Intern Doctors Reception Program and many more. Other than these, OPL also conducted Intern Doctors Reception Programs where many interns and doctors participated.

From this year onwards, Orion Pharma Limited has taken a new initiative of planting trees in the beautiful location of Pharma Park at Narayanganj. More than 50 trees fruit trees were planted inside the factory's huge area, enhancing and implementing the company's environmental concern. Mrs. Arzuda Karim, one of the respected Directors of OPL, was present during the plantations of these trees. She was accompanied by many enthusiastic employees too, which turned the event more delightful. Planting trees is one of the ways the company gives something back to the society it works in, by creating a pollution free and eco friendly environment. It also generates awareness among the employees and motivates them, as they can also enjoy the benefit of having freshly picked fruits from these trees.





Valuing and caring for our

NATURAL CAPITAL

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

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

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

EMS mainly comprises waste management and disposal, air pollution / dust emission, carbon impact or emission, ecological plan, applying conservatism in use of natural resources and so on. The first phase captures the environmental consideration for manufacturing plant and the second phase is for addressing environmental issues for other operational activities.

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



FOR MANUFACTURING PLANT

Waste Management System

A Pharma Manufacturing Facility Generates two forms of waste-

- Solid Industrial Waste

a) Raw Materials Container like cartoon, Poly bag, Paper bag etc.

b) Packaging Materials like likefilm foil, lid foil, carton, label, insert, glass & PET bottle, spoon, torn papers, Polythene etc.

c) Rejected Tablets, Capsules, Powders, blisters, Ampoule, Vials etc. from Daily Manufacturing

d) Laboratory Area Chemical Containers

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

- Liquid Industrial Waste

a) Especially from General Washing area for Equipment washing

b) All machines product contact parts washing through automatic washing system

c) Laboratory area chemical washing after use

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

Waste Collection System:

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

Waste Treatment System:

Solid Wastes like cartoons, bags, blisters etc. which are not directly in contact with products are first shredded into small pieces with the help of Shredding Machine. Then this wastage is sold to third party for recycling. Other solid wastes need to be incinerated and buried underground. The yearly (July 01- June 30, 2017) wastage packaging materials of the company is 30,000 kg.

Extra initiative for new plant at Siddhirganj: Other solid wastes will be Incinerated / Burned into ashes with the help of Double Chamber Incinerator. First Chamber burns the wastes at a Temperature of 650°C and then second chamber has 1100-1200°C temperature for complete burning system. The cycle also includes wet scrubbing system for the smoke before throwing to atmosphere to reduce flue gas temperature and ash content. Residue ash content is buried underground at a depth of minimum 3m.

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

For liquid waste, after final treatment of waste water with the help of ETP, the company complies with the Waste Water Characteristics Guideline of Bangladesh Environmental Regulation. It is discharged to the local central drainage network. Everyday routine test is carried out in the Laboratory to ensure the compliance with the waste water regulations.

Extra initiative for new plant at Siddhirganj: Part of final water will be used for gardening purpose of the factory premises. In addition to this there will a small fish pond / lagoon where everyday some water will be passed from the treated water pump and observations will be made on living fishes for the proper quality of water at all time.

Control of Air Pollution / Dust Emission

A fully automated different dust collector has been used to control the dust emission from the factory. Moreover each dust collectors have three stages Air Filtration system with the use of Pre-Filter, Medium Filter and HEPA Filter to ensure maximum dust free air exhausting to the environment. All the filter condition will be monitored through pressure differential central monitoring system.

Use of Rabbits for Toxicity Test

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



New medicines require testing because manufacturer must measure both the beneficial and harmful effects of a compound on a whole organism. A medicine is initially tested in a suitable animal model before clinical trials on human being. The animal test provides data on efficacy and safety of medicinal products. Our microbiologist use rabbits for conducting adverse toxicity effect of first time launched parenteral products and market complaints.

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

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

Reducing Carbon Impact or Emission

OPL is very concerned about the control of carbon emission to the environment. In order to achieve this, most modern almost zero emission fuel burning system has been selected for the new plant especially in Boiler, Incinerator, and Generator. Moreover there will be periodic check on level the emission with the help of Carbon Analyzer.

Automation by BMS (Building Management System)

BMS is a fully automation system which is able to control, monitor and ensure proper clean environment inside the production area as well as control temperature, humidity and pressure differential. All the utility system will be connected to BMS for automatic central control. Dynamic Software will be used which will be validated through GAMP-5 guideline. Fire detection system will also be integrated with BMS.

Ecological Plan

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

OPL does not create any adverse effect to the Environment. For all the liquid waste generated in the factory are efficiently treated with the help of most modern ETP. Solid waste will be burned by Incineration. Any air coming out from the factory is passed through Bag Filters / HEPA filters so that no air pollution occurs. In order to control noise, silencer is used for noise producing equipment. Steam condensate will be collected through steam trap and pass to central ETP.



SHAMISTOCK

FOR OTHER OPERATIONAL ACTIVITIES

Conservative use of energy, water, gas and other resources

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

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

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

OPL always encourages using electronic channels and e-mailing for all types of communication, which reduces the consumption of paper thereby results in decrease in deforestation.

On top of that we are now using finger punching attendance machine for better management and track of employees in and out time. Prior to this, card punch attendance system was available from 2008. Replacement of paper based attendance system by digital system including both card and finger punch also causes less use of paper. Besides we promote employees to utilize both sides of papers.

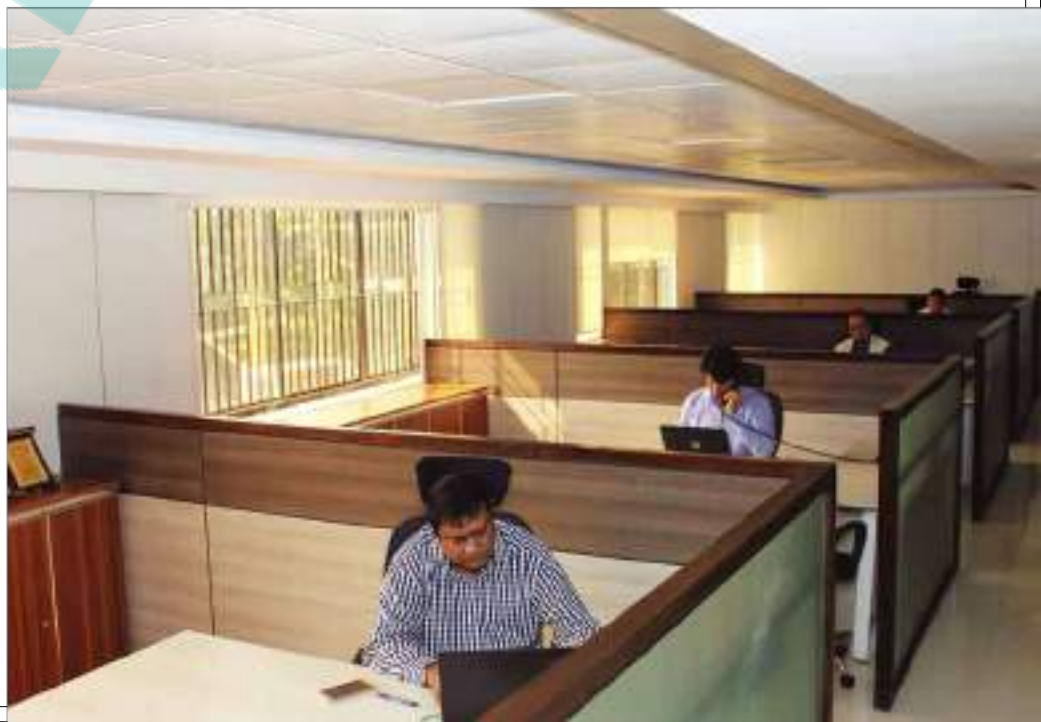
There are many employees partaking as volunteers in various activities to preserve natural resources as well as healthy and clean working environment.

Waste management

Apart from the production related waste already discussed, there are many other types of waste generated from our day to day activities performed by different departments. Some form of these waste are used papers, newspapers, physical wear and tear of electronics accessories like computer, landline phone, air conditioner, projector and different office equipments, obsolete furniture and fixture, warehouse garbage, food waste etc. However, garbage are collected and disposed off by the third party cleaners working in OPL on daily basis. The used accessories, furniture and fixture are sold to third party.

Safe handling and disposal of Cytotoxic waste

- Medical surveillance program
- Accident/incident reporting and investigation
- Post accidental exposure and follow up protocol
- Workplace inspections and compliance observations (e.g., assessment of techniques)
- Occupational hygiene/ environmental monitoring
- Regular maintenance of equipment and certification if applicable (e.g. Class II BSC requires certification annually).



CARBON FOOTPRINT

Measures to reduce carbon emission

Orion Pharma is operating in pharmaceutical industry where frequent use of motorcycles by Medical promotion officers and area sales managers for product promotional purpose and delivery van for distribution purpose are indispensable. But we are aware of the fact that vehicles contribute significantly to total emissions of carbon dioxide (CO_2), the main greenhouse gas. Since we can not avoid the use of vehicles because of the nature of our business activities, we are committed to minimize the impact of carbon released from our vehicles. We have adopted the following strategies in this respect-

- Ensure fuel quality which is an important element in reducing greenhouse gas emissions from transport
- Regularly servicing vehicle can save its fuel use, increase its performance and fuel efficiency which in turn reduce carbon emission from vehicle
- Follow fuel management efficiently

Besides, we are encouraging the use of teleconferencing and video conferencing, when possible, for long distance meetings. This system is also helping us reduce carbon emission as we can avoid use of vehicles.





Orion Pharma Limited always appreciates and encourages the 'would-be-doctors' who have already got admitted in the medical colleges and decided to dedicate their lives in exchange of bringing smile to the face of ailing humanity. Every year OPL provides a Medical Scholarship to meritorious but underpriviledged students of different Government Medical Colleges.

On February 23, 2017 the Company once again held the ceremony of "Orion Medical Scholarship" presided by the Company Director and Trustee of Orion Pharma Welfare Trust, Mrs. Arzuda Karim. This year we provided scholarship cheques to 05 (five) new medical students.

At present we provide scholarships to a total of 13 (thirteen) students from different Government Medical Colleges such as Dhaka Medical College, Khulna Medical College, Rajshahi Medical College, Rangpur Medical College, Shaheed Taj Uddin Ahmed Medical College, Kushtia Medical College, Sathkhira Medical College and many more. During the financial year ending June 2017, the Company spent Tk. 10,50,000 as Medical Scholarship and needless to say the students and their families showed heartfelt gratitude to our Management for this noble effort.

Strategic Reports



AMAR STOCK

STRATEGIC MILESTONES



1965

- Incorporation of the Company as a private limited company with a view to manufacturing and marketing of pharmaceutical finished products

1967

- Commencement of Production

2006

- First entry into the international market; export to Nepal
- 1st time production of Alverin citrate Generic in Bangladesh



2009

- Achievement of ISO 9001:2008 Certificate
- 1st time production of Magaldrate + Simethicone Generic in Bangladesh

ORION Pharma Ltd.
ISO 9001:2008 CERTIFIED

2010

- Converted into public limited company
- Change of Name from Orion Laboratories Limited to Orion Pharma Limited





2011

- Started Commercial operation of 2 subsidiaries (Power generation plants)
- 1st time production of Acemetacin Generic in Bangladesh



2013

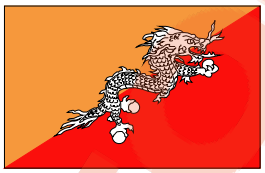
- Listing with Dhaka Stock Exchange and Chittagong Stock Exchange



2015

- Started export to Lesotho
- Received ICAB Award for 2nd best presented Annual Report of 2014





2016

- Started export to Bhutan, Cambodia, Afghanistan and Somalia



2017

- Started export to Sudan
- Final audit (stage-1) done for ISO 9001:2015 certificate by TUV, Austria
- Received ICAB Award for 2nd best presented Annual Report of 2016 and selected for SAFA BPA competetion

VISION

To be regarded as a world-class pharmaceutical company in the field of generic finished products

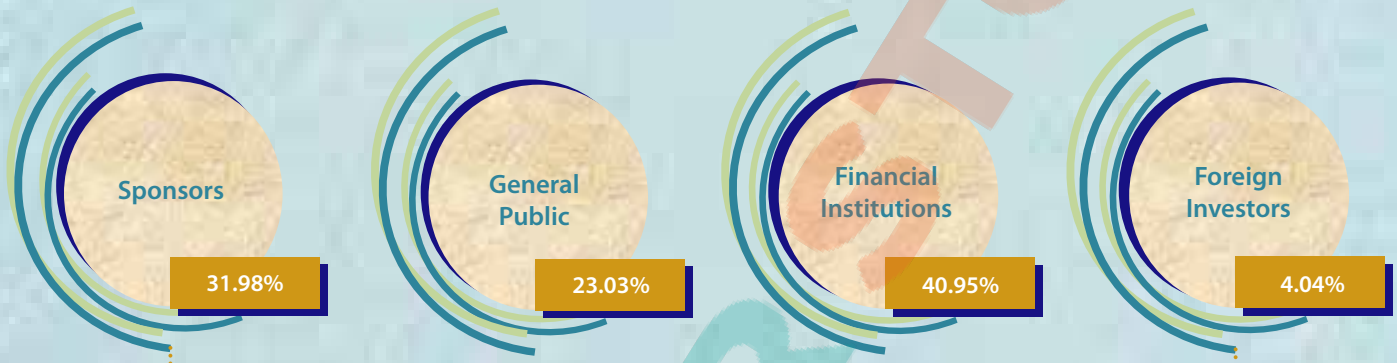
MISSION

To improve people's health and achieve stakeholders' satisfaction by manufacturing & marketing pharmaceutical finished products



SHAREHOLDING STRUCTURE

With 40.95% of share capital, the financial institutions are Orion Pharma's majority shareholder, followed by sponsors with 31.98% and general public with 23.03%. The remaining 4.04% is held by the foreign investors.



ORION Pharma Ltd.

Subsidiaries	Subsidiaries	Associates
95.00%	67.00%	21.76%
Orion Power Meghnaghat Limited	Dutch Bangla Power & Associates Limited	Orion Infusion Limited

Get to know the Subsidiaries



ORION POWER MEGHNAGHAT LTD.

Orion Power Meghnaghat commits to make a role-play with a single focus on delivering reliable and affordable electricity across the country. With this commitment, Orion implemented a 100 MW HFO based power plant on the power village of Meghnaghat, Narayanganj, with brand new European machineries and equipment. The construction of the plant was completed in a record time of just 9 months with brand new European machine.

The plant has been distributing electricity to the national grid on a regular basis. The plant is recognized as one of the most efficient power plants of the country and with its recognition it has recently been renewed to operate for five more years.

Orion Pharma holds the maximum equity share of this company. The total cost of the project was 624 crore.



DUTCH BANGLA POWER & ASSOCIATES LTD.

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

Taking the commitment to provide cost effective electricity for poverty reduction and accelerated economic growth, Dutch Bangla Power & Associates Ltd was implemented as a 100 MW HFO Power Plant in Siddhirganj, Narayanganj with brand new European machineries and equipment. This construction was also completed in 9 months and the generated output is regularly supplied to national grid. This Plant has recently been renewed to operate for further five years.

Orion Pharma holds the maximum equity share of this company. The total cost of the project was 650 crore.

BUSINESS MODEL

Our value creation process starts with the conversion of different types of raw materials (Active Pharmaceutical Ingredients & Excipients into six dosage forms - tablet, capsule, dry syrup, oral liquid, cream & ointment and injection and ends with the timely delivery of produced medicines to our customers.

How we are creating values through this process by taking inputs from six types of capitals on which we are dependent within the external and internal contexts of the company is demonstrated in this well integrated business model.

It also shows list of major activities we perform to meet our customer requirements. Our output is the medicinal generic finished product in 232 presentation and some wastage. In addition to this, outcomes, both positive and negative, are the impacts of our activities on all capitals available in our company. We accomplish our actions keeping the following belief in mind-

'the maximum use of inputs, the minimum negative impact on environment.

We are doing our business aligned with the mission, vision and strategic objectives that leads to the sustainability of our business.

Input

Financial Capital	As on June 30, 2017
Capital Expenditure (BDT)	317.88 million

How much taka was spent for acquisition of property, plant and equipment during the reporting FY.

Manufactured Capital	As on June 30, 2017
Tablet and capsule	407.53 million pcs
Dry syrup, oral liquid, cream & ointment and injection	12.46 million pcspcs

What was the production capacity of manufacturing facilities during the reporting FY.

Intellectual Capital	As on June 30, 2017
R&D expense (BDT)	0.64 millionpcspcs
Product renewal and development (BDT)	1.26 million

How much taka was spent for research and product development purpose during the reporting FY.

Human Capital	As on June 30, 2017
No. of employees	2,287
Spend on employees: (BDT)	
a) Salary, wages and other allowance	655.24 million
b) Food Facilities	39.23 million
c) Overseas traveling, training and conference	10.94 million

How much taka was spent for the human resource of OPL during the reporting FY

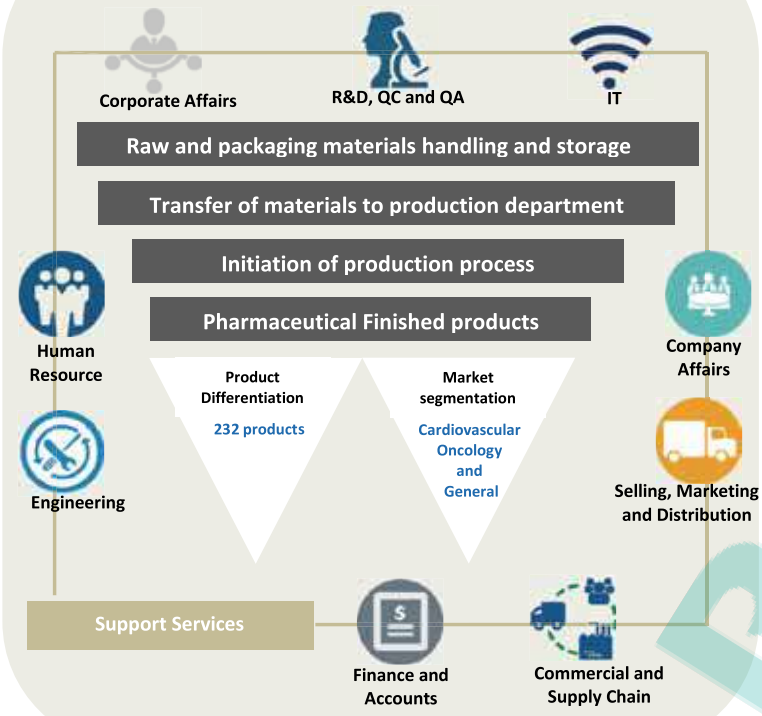
Social and Relationship Capital	As on June 30, 2017
Spend on CSR (tk)	6.2 million
The Orion Medical Journal	6,000 copies
Intern Doctors Reception Program	As per annual budget
Scientific Seminar	As per annual budget
Round Table Meeting	As per annual budget
Rural Promotional Campaign	As per annual budget

How we interacted with our potential stakeholders during the reporting FY

Natural Capital	As on June 30, 2017
No. of animals used by QC department	24
Water consumption	85,493 m^3
Electricity consumption	10,14,000 kwh
Natural Gas consumption	8,40,615 m^3

What natural resources we used in our business activities during the reporting FY

Business Activities



Output

Production of Pharmaceutical Finished products	
Tablet and capsule	407.53 million pcs
Dry syrup, oral liquid, cream & ointment and injection	12.46 million pcs

Sale of Pharmaceutical Finished products	
Local Sales (tk)	1,886.62 million
Export Sales (tk)	109.43 million

Outcome

Financial Capital	As on June 30, 2017
Net Turnover (BDT)	9,534.35 million
PAT (BDT)	794.50 million
EPS (BDT)	3.40
Cash generated from operations (BDT)	2,251.20 million

Manufactured Capital

OPL has increased the production capacity of existing plant by procuring high capacity, sophisticated, 21CFR part 11 FDA regulated compliant production machinery. On top of that the first phase of our new plant is near to complete and will go for operation very soon.

Intellectual Capital	As on June 30, 2017
New products launched	5

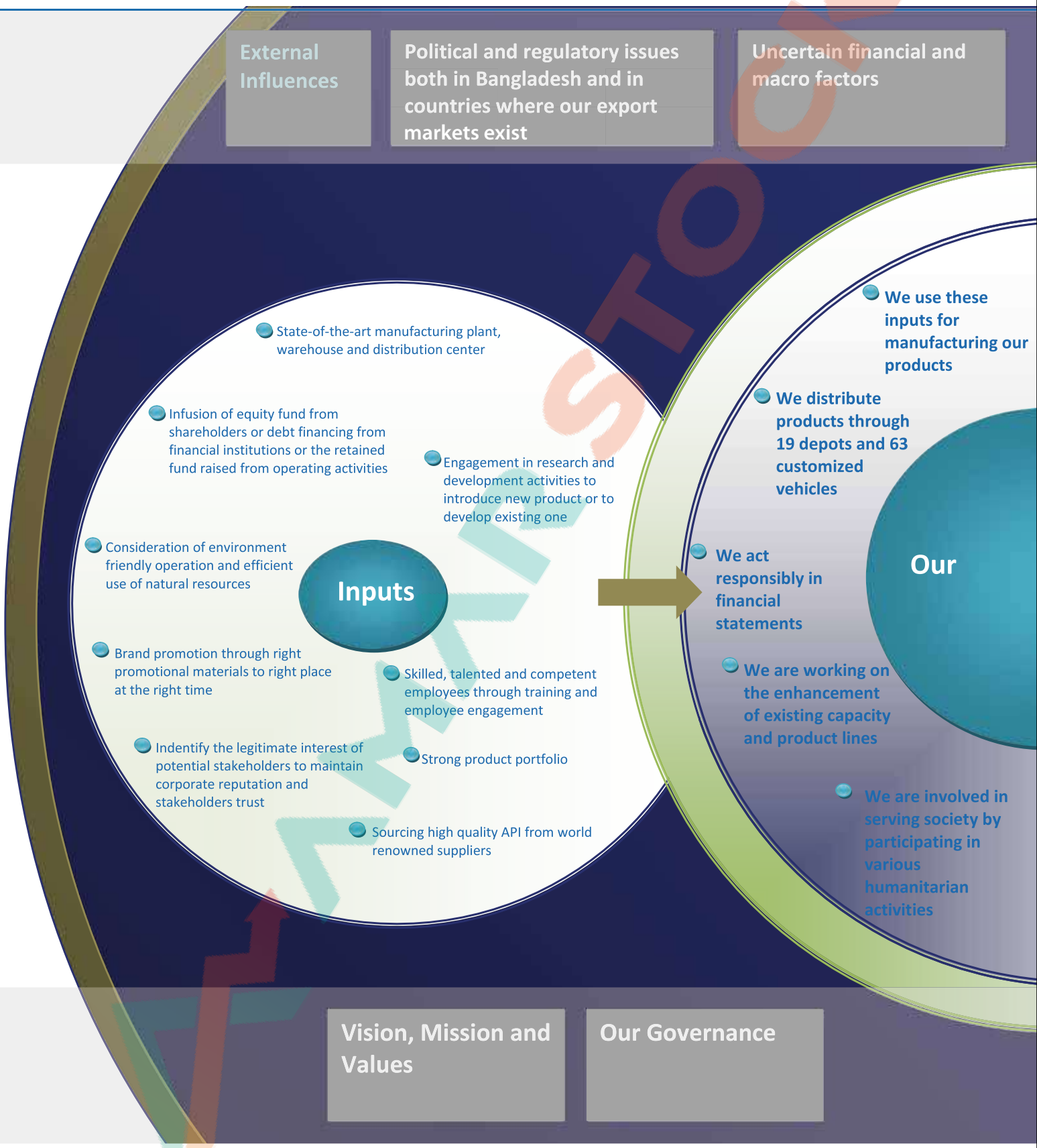
Human Capital	As on June 30, 2017
Fatality	0
Diversity – Woman (%)	5
Work related injuries	1
Employee Turnover Rate (%)	17
No. of employees received trainings	503

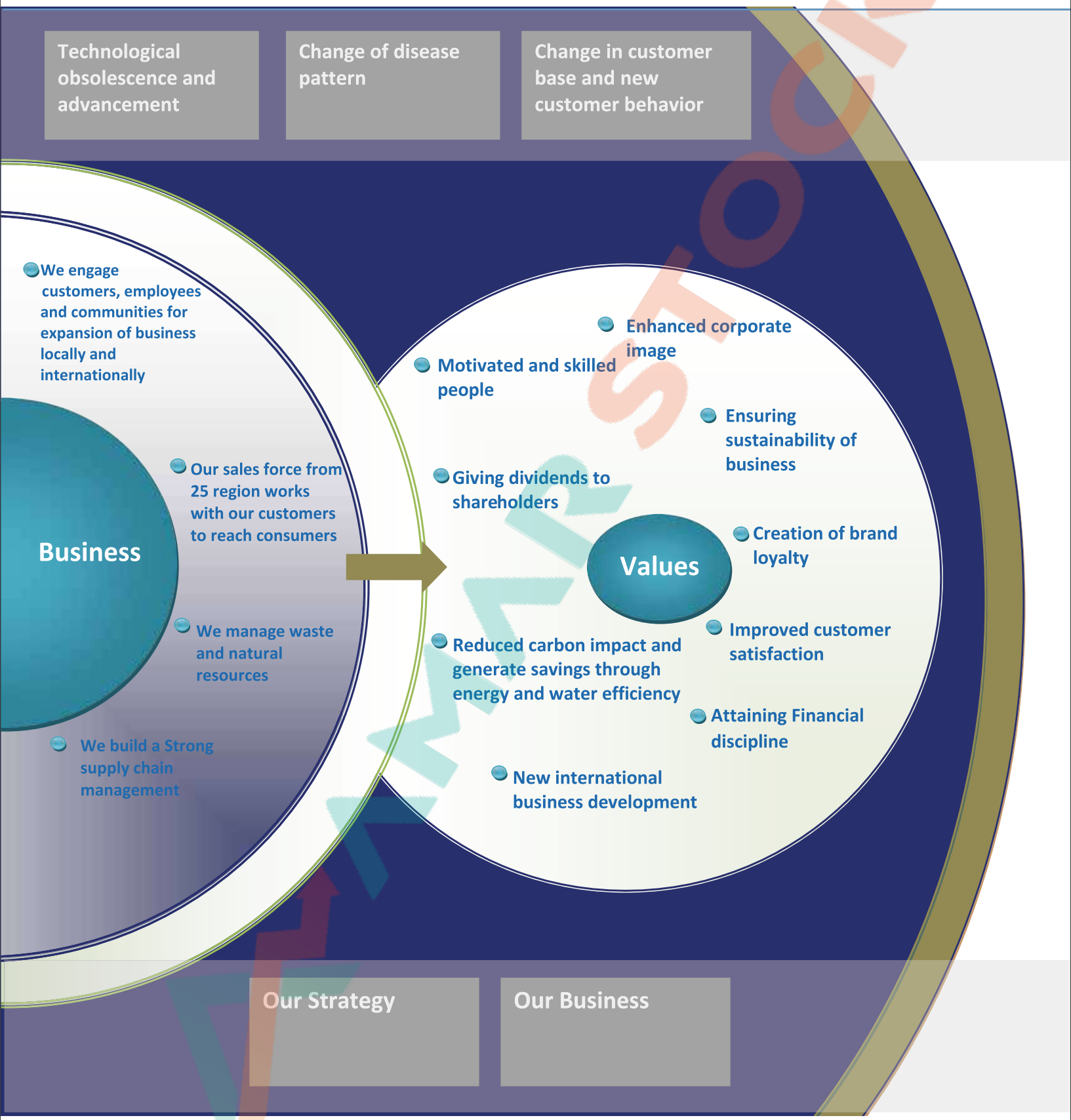
Social and Relationship Capital	As on June 30, 2017
Lives impacted through CSR and Promotional activities	2,688
Payment to National Exchequer (BDT)	422.80 million
Payment to shareholders as dividend (BDT)	1.5 per share

Natural Capital	As on June 30, 2017
Tree Plantation	50
Solid Packaging Waste Sold to third party (kg)	30,000

CREATING VALUES

THROUGH BUSINESS MODEL




Technological obsolescence and advancement
Change of disease pattern
Change in customer base and new customer behavior
We engage customers, employees and communities for expansion of business locally and internationally
Business
Our sales force from 25 region works with our customers to reach consumers
We manage waste and natural resources
We build a Strong supply chain management
Enhanced corporate image
Motivated and skilled people
Ensuring sustainability of business
Giving dividends to shareholders
Values
Creation of brand loyalty
Improved customer satisfaction
Reduced carbon impact and generate savings through energy and water efficiency
Attaining Financial discipline
New international business development
Our Strategy
Our Business

VALUE CHAIN

Orion Pharma Limited has made an effort to portray all its activities, carried out in its regular business to create value for its stakeholders, by a value chain model. In order to do this, OPL has adopted Porter's Value Chain Analysis to examine all of its activities, the way in which value chain activities are performed, to see how they are connected and how these activities are affecting costs and profits.

This analysis helps OPL to understand the sources of value for our company.

SUPPORT ACTIVITIES

Firm Infrastructure:

- The design of the building and factory is good and reflects modern concept
- Prevalence of good governance
- Practice of strong code of business conduct
- Structured departments and hierarchical system
- Improved communication between different departments through the intranet
- Better accounting and financial management practices

Human Resource Management:

- Strong HR team to recruit, train and motivate employees
- Excellent corporate culture for team work and leadership development
- Competitive salary package and compensation benefits
- Ensuring employees' health and safety issues
- Offering healthy working environment
- Non existence of gender discrimination

Technology Development:

- Highly competitive IT department who supports both IT infrastructure and software
- Automated Central Distribution Centre, distribution channels and depots
- Real time access to sales records from all depots
- Strong IT department is continuously developing many customized software
- Efficient R&D departments continuously engaged with developing new products or upgrading existing one

Procurement:

- Direct contact with suppliers
- Good cross border relationship
- IT based procurement planning and inventory management system
- Practice of strong code of business conduct
- Structured departments

Profit

PRIMARY ACTIVITIES

Inbound Logistics:

- Good relationship with suppliers
- Sourcing supplies of high quality materials
- Efficient storage facilities - easy storage and retrieval
- Inventories are dealt with swiftness and efficiently
- Hired and own vehicle fleet
- Supply schedules are matched with production

Operation:

- Automated manufacturing processes
- Compliance in every aspect of the production
- Quality control and inspection
- Order fulfillment on time
- Real time inventory and sales tracking system

Outbound Logistics:

- On time delivery through 63 customized vehicles
- Inventory management
- Efficient dispatch and delivery system
- Emergency resupply
- Emergency shipment
- 25 Regional Sales Offices and 19 depots all over the country
- 1 Central Distribution Cell

Sales and Marketing:

- Efficient sales force of 982 number of employees
- Regular training of the sales team through sales training department
- Customer management
- Entering new and emerging markets
- Sales analysis
- Market research
- Branding and promotion of products

Service:

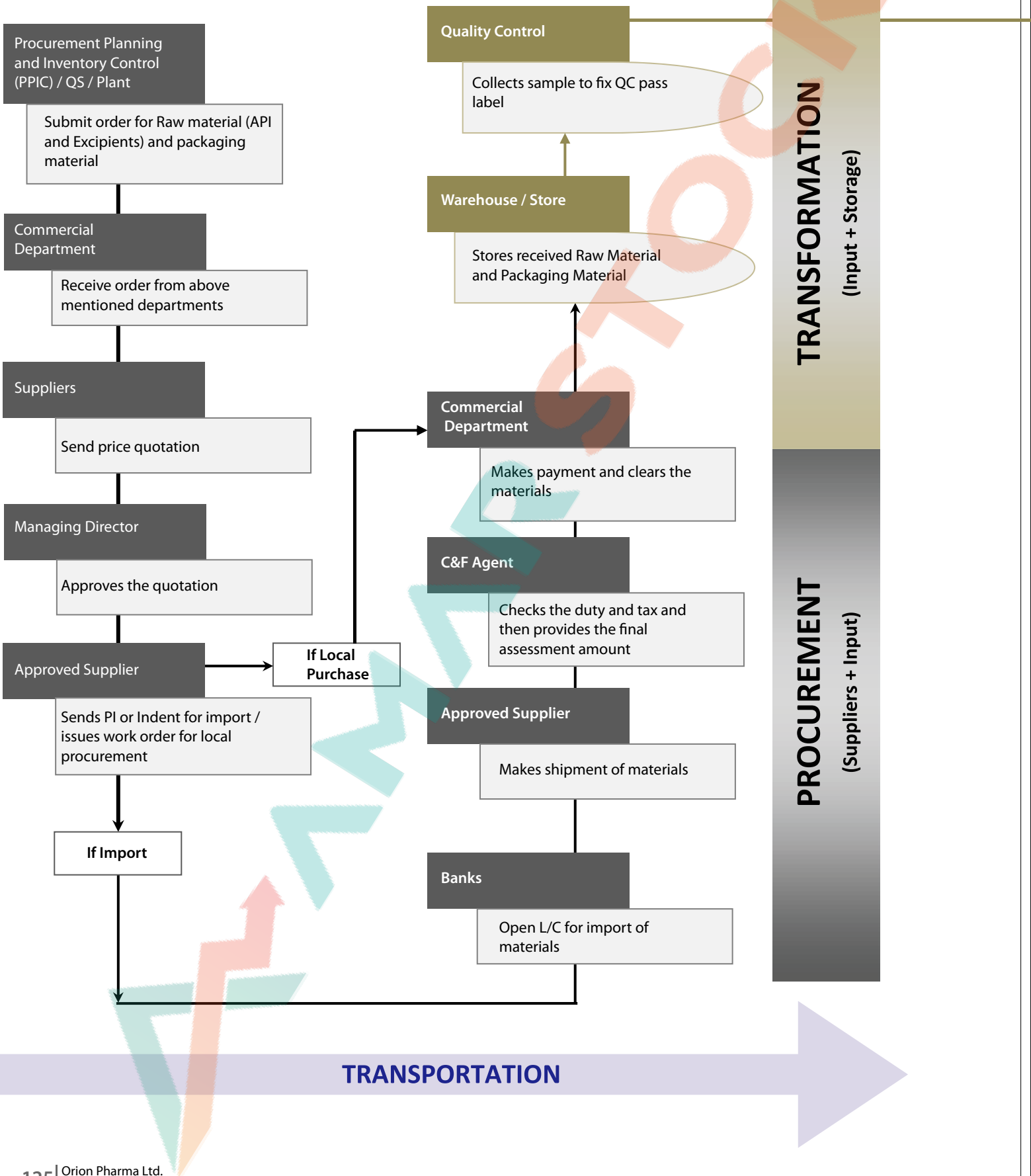
- Product complain form
- Customer survey and seeking feedback
- Structured approach to understand the requirements of individual customers
- Fast response to customer requirement
- Expired product replacement

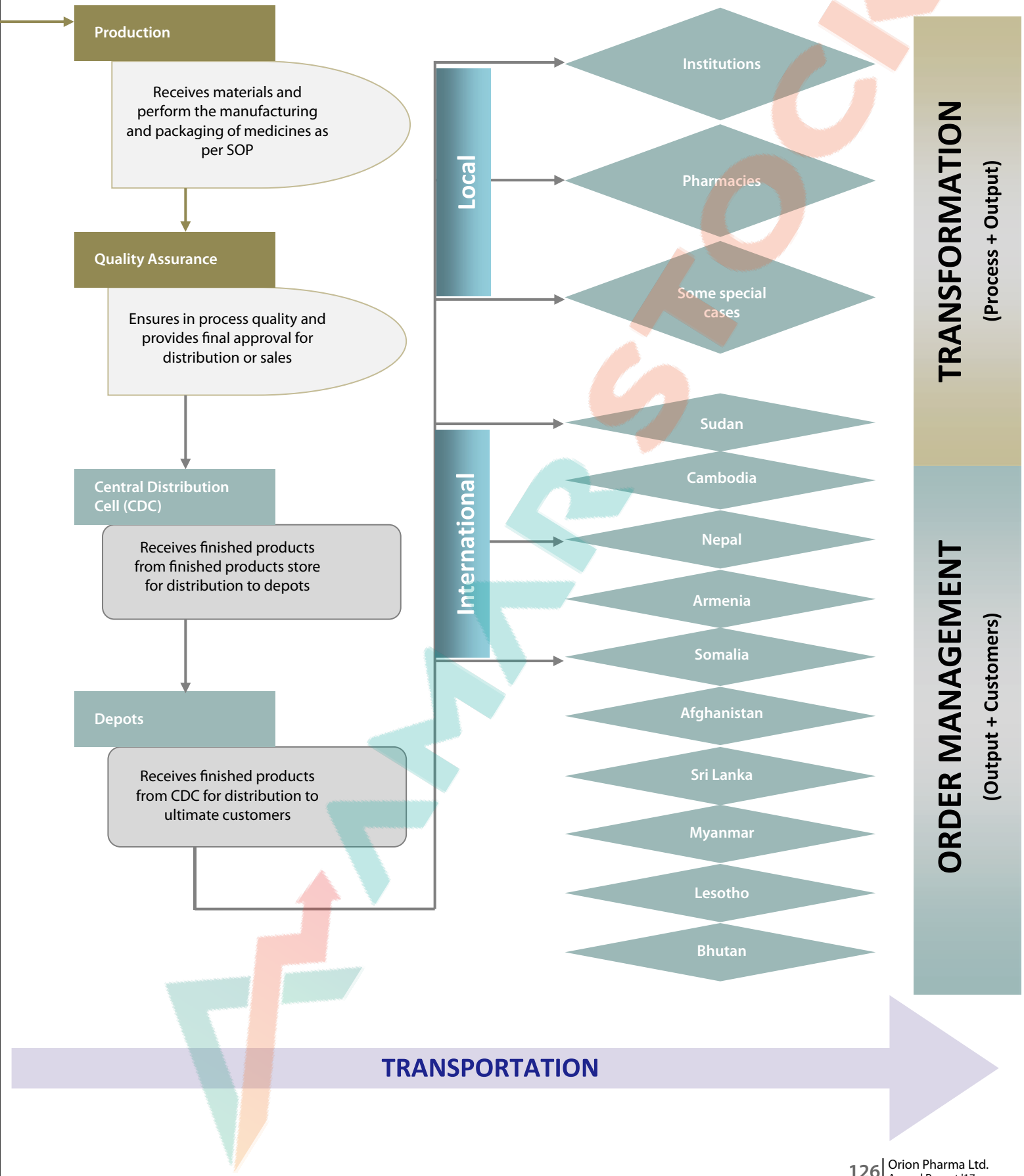
Margin

VALUE FOR SOCIETY

- Increased opportunity for local investment and accelerating economic growth
- Creating employment opportunities for local community
- Increased income results in improved yields
- Less consumption of natural resources
- Serving the society by providing high quality medicines that consumer needs
- Participating in the national development process by contributing to national exchequer

SUPPLY CHAIN




Production
Receives materials and perform the manufacturing and packaging of medicines as per SOP
Quality Assurance
Ensures in process quality and provides final approval for distribution or sales
Central Distribution Cell (CDC)
Receives finished products from finished products store for distribution to depots
Depots
Receives finished products from CDC for distribution to ultimate customers
Local
International
Institutions
Pharmacies
Some special cases
Sudan
Cambodia
Nepal
Armenia
Somalia
Afghanistan
Sri Lanka
Myanmar
Lesotho
Bhutan
TRANSFORMATION
(Process + Output)
ORDER MANAGEMENT
(Output + Customers)
TRANSPORTATION

Everything we need to know about the internal and external environment affecting our business



FIVE FORCES ANALYSIS

Industry analysis is a vital part of the decision making process in business. In this case Michael Porter's model is a widely used tool for industry analysis. This model identifies five core competitive forces and by gaining knowledge about these forces and how they impact on the business, decision makers can make better decisions and plan better.

From that point of view an analysis of the pharmaceutical industry of Bangladesh in terms of the five forces is given here:

1	Threats of entry posed by new or potential competitors	LOW	• Economies of scale achieved by the established businesses; • Huge capital intensive business; • Access to the distribution channel is difficult; • Government rules and regulations.
2	Degree of rivalry among existing companies	HIGH	• High rivalry exists among the companies in the industry; • Industry is benefited from the strong demand of the consumers; • In the long run companies require low fixed cost and high working capital.
3	Bargaining power of buyers	LOW	• Price sensitivity is low, so consumers have little room for switching; • Companies influence medical practitioners, wholesale and retail shops for promoting their products; • As it is related to health issue which is one of the basic needs, so medicine is very important for people, so their bargaining power is low.
4	Bargaining power of suppliers	LOW	• Bangladeshi pharmaceutical companies procure raw materials mainly from the various countries. So suppliers have low bargaining power because in case of inappropriate bargaining from suppliers pharmaceutical companies can switch their suppliers.
5	Threat of Substitute Products	MEDIUM	• There exists threat from generic drugs, because generic drug companies do not expend in research and development of new drugs. So they can sell their medicines at cheaper rate. So threat exists in generic competition; • On the other hand if any drug is prescribed by medical practitioners then end user has to buy that without any choice left.

SWOT ANALYSIS

This SWOT (strengths, weaknesses, opportunities and threats) analysis is a process where the management team identifies the internal and external factors that will affect OPL's performance.

The company's strengths and weaknesses are the internal factors whereas opportunities and threats deal with factors external to the company. This helps the overall corporate planning process in which financial and operational goals are set for the upcoming year and strategies are created to accomplish these goals.

1 Strengths



- OPL has overseas marketing network in 10 countries, products of OPL already have been registered in 5 countries and we are in the process of registering products in 11 countries;
- Company brand image;
- Strong demand for our cardiovascular drugs;
- Massive structural reforms of marketing policy to strengthen OPL's position further in the market;
- World leading generics are available in our product line;
- Construction is in process to build the biggest Pharma Park in the country with huge production capacity including capacity of hi-tech products which is going to go into operation from the first quarter 2017;
- Strong and country wide distribution network ensures supply of products up to retail level;
- High quality products with extensive product lines;
- Active participation in CSR activities;
- Front runner of some generics for the 1st time launched in Bangladesh.

2 Weakness



- Limited presence in international market locating in Europe;
- Sub standard position in few areas of HR indicators;
- Lack of branded product recognition in local market.

3 Opportunities



- Emerging international new markets;
- Annual growth rate of pharmaceutical industry in Bangladesh is about 29.23% with lot of potential;
- Increasing demand for quality healthcare products due to the increase in consciousness among people;
- Grant for the least developed countries, including Bangladesh, an exemption from obligations to implement patents and data protection for pharmaceutical products until 2033 as per trade related intellectual property rights (TRIPS);
- Chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases.

4 Threats



- Increase in competition in pharmaceutical market day by day;
- Change in rules and regulations from Bangladesh Food & Drugs Authority which can make products out of the market;
- Exposed to foreign currency fluctuations in case of importing raw materials and exporting products;
- Interest rate fluctuations can have an adverse effect on the business sustainability;
- Threat from other companies if OPL's international market is captured by their products;
- Political instability and turbulence and disruption by the law enforcement agencies may disrupt supply chain, production and hamper cost competitiveness.

PESTLE ANALYSIS

This PESTLE (Political, Economical, Social, Technological, Legal and Environmental) analysis of pharmaceutical industry sector investigates the important aspects of various external factors that are affecting the industry and is used for business and strategic planning, marketing planning, organizational change, business and product development and research reports.

1 Political



Brief

- Political instability e.g. hartal, strikes;
- Export, import policy;
- Government rules and regulations in areas of tax, VAT etc.;
- Increase of government pressure on healthcare.

Our response

The political condition of Bangladesh was quite stable during the last FY except the occurrence of some terrorist attacks. However, we neither faced any big troubles while carrying out our regular business activities nor any government rules and regulations were against us. If there were any issues raised, our management solved it effectively.

2 Economical



Brief

- Exchange rate and interest rate fluctuations;
- Global economic crisis;
- Intense competition in pharma industry in Bangladesh;
- Annual growth rate of pharmaceutical industry in Bangladesh is about 29.23%;
- Increase in GDP growth rate.

Our response

Since we are in the beginning stage of our international operation, global economic factors do not have much impact on us. Also, Bangladesh's economy is in favor of our activities. However, we are facing strong competition in local market for which we have taken effective marketing strategies to retain our position in the market and achieve the marketing objectives set.

3 Social



Brief

- Increase in health conscious consumers;
- Increase in population and diseases like obesity, diabetes and associated health risks;
- Increase in demand of high quality healthcare products;
- Religion;
- Active participation in social networking of mass people;
- Change in lifestyle.

Our response

Our PMD and marketing departments are in charge of identifying the medicines' needs of the society and the shift in disease pattern so that we can capture the market before our competitors by delivering the right products at the right time. In addition to this we actively participate in various social and philanthropic activities to share values with the society.

AMARSTOCK

4 Technological



Brief

- Active participation in social media;
- Advancement in technologies and machineries;
- Customized treatment;
- Development in ICT sector in Bangladesh;
- New technology development and obsolescence.

Our response

World class machinery and equipments are available at our new plant at Siddhirgonj. Also various updated and customized software mostly developed by our own IT team, when required, are being used for the operation and maintenance of our activities. A detailed schedule of software we are currently using is captured on page no 137-138.

5 Legal



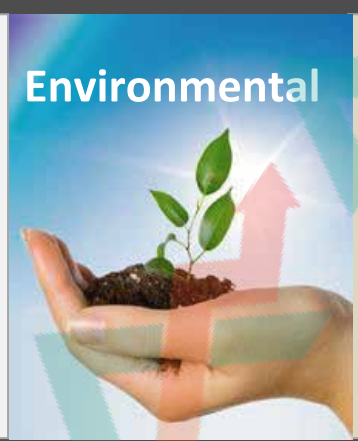
Brief

- Increased litigation;
- Change in rules and regulations from Bangladesh Food & Drugs Authority;
- Strict advertising law;
- Strict price control policy of the government;
- Health and safety regulations;
- Compliance with World Health Organization (WHO) on Good Manufacturing Practice (GMP).

Our response

There is no legal or regulatory issue against our company as we are always concerned to adhere to all legal and regulatory matters applicable for us. Moreover, the concerned departments are responsible to renew all legal documents, licenses, certificates and to adapt any change in laws, rules and regulations on timely basis without making any violation.

6 Environmental



Brief

- Increase in environmental agenda about climate change;
- Increase in community awareness about environmental issues;
- Increase in focus on Environmental Management System mainly comprises of waste management and disposal, air pollution / dust emission, carbon impact or emission, handling of hazardous chemical, ecological plan etc.

Our response

We are doing our business by adopting eco friendly technology and operation process which preserve the environment through energy efficiency, making our office paperless and effective waste management. Some more steps like to reduce the negative impact of carbon emission will also be adopted in our new plant.

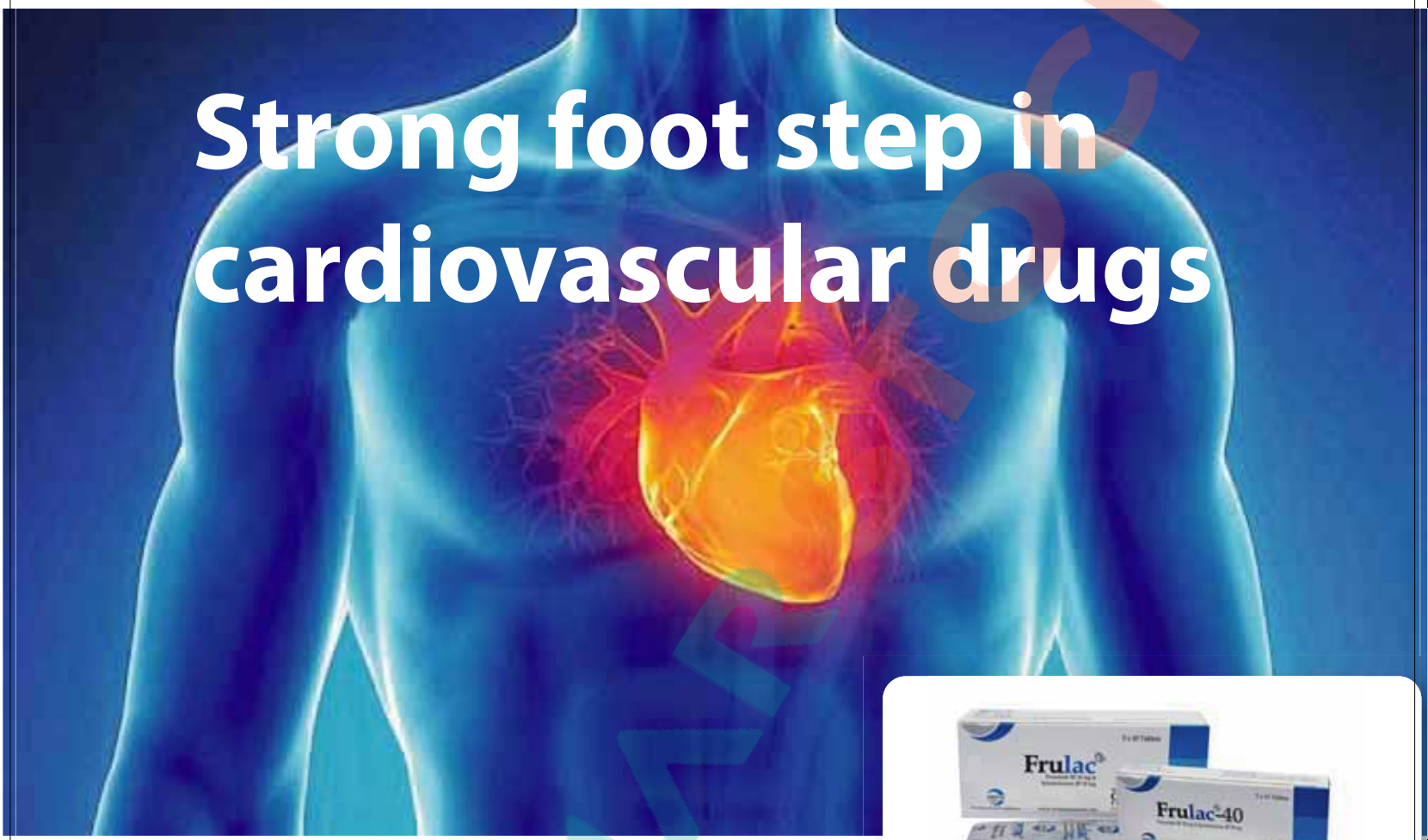
Because of our competitive advantages, we are in the competition

- Offering customers high quality generic medicines and greater values



AMAR STOCK

THE COMPETIVE EDGE



Strong foot step in cardiovascular drugs

Cardiovascular diseases are the number one cause of death globally. Out of the 16 million deaths under the age of 70 due to non-communicable diseases, 82% are in low and middle income countries and 37% are caused by cardiovascular diseases.

Orion Pharma Ltd. started its professional journey with stronger footstep in the cardiovascular segment. Amongst the leading cardiovascular drugs "FRULAC", "CLOGNIL & CLOGNIL PLUS", "LOSAN& LOSAN-D" are remarkable.

For the 1st time in Bangladesh we launched "FRULAC" in 2002.

Since then with the reliability from leading cardiologists, "FRULAC" has been leading in the cardiovascular market not only in Bangladesh but also in Myanmar Market.





World leading generics in the product lines



At present worldwide leading generics are Rosuvastatin (US$ 8,608 million -IMS health December 2015 and Tk. 90.11 Crore- IMS 3Q) and Esomeprazole (US$ 5,065 million -IMS health December 2015 and Tk. 1030 Crore- IMS 3Q).

In consistence with this leadership, Orion Pharma Ltd. has also launched Rosuvastatin and Esomeprazole under the brand names "ROVEX" and "EXOR" respectively. Considering the brand potentiality and value, Orion Pharma Ltd. has kept these brands as highest promotional priority as flagship products.





High quality API from world's renowned suppliers

As far as quality is concerned, we are always in search of excellence. Therefore whenever we think of launching any new molecule, we search for the highest quality API.

The quality of APIs has a significant effect on the efficacy and safety of medication. Poorly manufactured or compromised APIs have been connected to serious issues, such as illnesses and even death. Hence, Orion Pharma imported their API from well recognized company of Italy, USA, Denmark, Germany, Spain and so on.

Our Company also introduced US DMF (Drug Master File) Grade raw material for few of our products which ensure proof of purity and complete documentation.

At the same time we also use DC (Direct Compression) Grade raw materials having increased dissolution rate to ensure rapid onset of action and product of higher stability.

Front runner–1st time in Bangladesh



Orion Pharma Ltd. is always keen to launch new and innovative products in Bangladesh. Orion Pharma Ltd. has a good number of brands launched for the 1st time. "PEP", "EC-PLUS", "FRULAC", "ONIUM", "ALVE", "CEFDITOR", "MAROMAX","NOVELTA", "DESOR" and so on.

More over Orion Pharma Ltd. has launched "TENDONIL" which is one and only in Bangladesh.





INFORMATION TECHNOLOGY

Information technology (IT) has become a vital and integral part of every company. OPL is technologically very rich in areas of hardware and software. It has an enriched IT department divided into software and IT infrastructure sections which have highly skilled professionals and employees.

Our employees are provided with respective computers and related accessories for the smooth work flow. Many of our softwares were purchased from vendors, again many of OPL's software were developed by OPL's highly skilled internal software developers. IT department is in charge of the following-



1	Server and Storage	• High Capacity IBM Server and Storage System • Enterprise Resource Planning (Customized)	6	Asset Management	• Fixed Asset Management Software • Vehicle Management Software with tracking system
2	Communication	• Virtual Private Network (VPN) • Local Area Network (LAN), Wide Area Network (WAN), Wi-Fi, File Transfer Protocol (FTP) • Video Conferencing • E mailing System • Data Connectivity with Factory	7	Sales and Distribution Management	• Sales Monitor Online Software • Sales, Inventory and Distribution Management System • Market Information System (MIS)
3	Accounting	• Financial Accounting System (Customized Module) • Fund Requisition Software	8	Supply Chain Management	• Supply Chain Management Software
4	Data Management	• Online Bill Process System (Web Based)	9	Human Resource Management	• Payroll Software • E-attendance • HR Management Information System (All information of employees including employee appraisal) • Salary SMS Notification System
5	Inventory Management	• General Inventory Management Software • Production Inventory • Management Software			

Orion Pharma's own Information Technology Department has developed integrated software named "ORION ONLINE SOLUTION" where a variety of software used by different departments is compiled to ease the operation activities of the company. In addition to that a software named "ORION PORTAL" has been developed for employees by using which an employee gets access to the information like his/her attendance, yearly appraisal status, monthly payslip and so on from anywhere inside or outside office.



Orion Online Solution

Orion Portal

ORION ONLINE SOLUTION



OUR DISTRUBUTION NETWORK

Orion's distribution network connects patients with healthcare products across urban and rural area. Orion distributes its products all over the country using its own distribution channel. It has a large number of vehicles and sales depot to ensure coverage of the whole country. Orion is committed to ensure better life through quality medicines. Under the direct surveillance of the Central Distribution Cell, 700 people ensure the on-time delivery through 19 depots and 63 customized vehicles confer the quality till it reaches to the hand offend-customers.

In accordance with the market requirements, the stocks are distributed countrywide by company-owned distribution network. The distribution of Orion strengthens its network to meet the need of the community. The width of the distribution network of OPL is very extensive and its channel of distribution takes place through the following consecutive chain:



PRIMARY DISTRIBUTION:

From the finished inventory store, the products are taken to the "Central Distribution Cell "(CDC) in Dhaka for extensive distribution across the country.

SECONDARY DISTRIBUTION:

In accordance with the requirements, CDC distributes drugs and medicines to the 'Regional Distribution Center/Depot' (RDC) situated in Paltan, Kalyanpur, Chittagong, Bogra, Sylhet, Rangpur, Rajshahi, Mymensingh, Comilla, Khulna , Chawmohoni, Faridpur, Barisal, Dinajpur, Moulovibazar, Kushtia, Narayanganj, Tangail and Cox's Bazar.

TERTIARY DISTRIBUTION:

RDC distributes the products to the respective urban and other remote markets by the company-owned vehicles.

OUR PRODUCT INDEX

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
ANTIBIOTICS	Ataq	Gatifloxacin	Fluoroquinolone antibiotic	Acute bacterial sinusitis, Acute bacterial exacerbation of chronic bronchitis, pneumonia, Skin Infections
	Axet 125 Tab	Cefuroxime Axetil	2nd generation cephalosporin	Pharyngitis,Tonsillitis, Otitis media, Sinusitis, bronchitis , Lower respiratory infections , Skin & Skin structure infections, Urinary tract infections, Uncomplicated gonorrhea.
	Axet 250 Tab			
	Axet 500 Tab			
	Axet 70 ml PFS			
	Axet 750 IV/IM			
	Co-Axet 250 Tab	Cefuroxime Axetil + Clavulanic Acid	2nd generation cephalosporin with beta lactamse inhibitor	
	Co-Axet 500 Tab	Cefuroxime Axetil + Clavulanic Acid		
	Cefditor 200 Tab	Cefditoren	3rd generation Cephalosporin	Lower Respiratory Tract Infections, Upper respiratory tract infections, Urinary Tract Infections, Skin & Skin structure infections.
	Azalid 250 Cap	Azithromycin	Macrolide Antibiotic	Respiratory tract infections, Typhoid fever, Skin & Soft tissue infection.
	Azalid 500 Tab			
	Azalid 15 ml PFS			
	Azalid 35 ml Susp			
	Azalid 50 ml PFS			
	Mac 100 ml PFS	Erythromycin		Respiratory tract infections , Skin and skin structure infections, Pertussis (whooping cough)
	Mac DS PFS 100 ml			
	Mac DS PFS 70 ml			
	Magnova 500mg IV/IM Inj	Cefepime	4th generation cephalosporin	Moderate to severe Pneumonia, Uncomplicated and Complicated UTI, Uncomplicated Skin Infections
	Magnova 1 gm IV/IM Inj			
	Magnova 2 gm IV Inj			
	Maprocin 500 Tab	Ciprofloxacin	2nd generation Fluoroquinolone	Urinary tract infections, Lower respiratory infections, Infectious diarrhea, Typhoid fever (enteric fever).
	Maprocin 750 Tab			
	Maprocin 60 ml Susp			
	Meromax 500 mg	Meropenem	Carbapenem	Septicemia, Bacterial meningitis , Intra abdominal infections, cSSSIs, Cystic Fibrosis
	Meromax 1 gm IV			
	Octrim Susp	Sulfamethoxazole and Trimethoprim	Antibacterial	Treatment of susceptible infections, Meningitis caused by Listeria, Treatment of Pneumocystis jirovecii
	Oriodox Cap	Doxycycline	Tetracycline Group of Drugs	Bronchitis, pneumonia, sinusitis, cystitis, arthritis, acne
	Xemi Tab	Gemifloxacin Mesylate	4th generation Fluoroquinolone	Acute bacterial exacerbation of chronic bronchitis, mild to moderate community acquired pneumonia
	Orlev 500 Tab	Levofloxacin	3rd generation Fluoroquinolone	Acute bacterial sinusitis, Acute bacterial exacerbation of chronic bronchitis, pneumonia, Skin Infections
	Maximox 400 mg Tab	Moxifloxacin	4th generation Fluoroquinolone	Acute Exacerbation of Chronic Bronchitis, Acute Bacterial Sinusitis, Complicated SSTI, Uncomplicated SSTI, Complicated Intra-abdominal Infection, Diabetic Foot Infection
	Pedicef 15 ml Drops	Cefpodoxime	3rd generation Cephalosporin	Pharyngitis and/or tonsillitis, Community-acquired pneumonia, Acute bacterial exacerbation of chronic bronchitis
	Pedicef DS 50 ml PFS			
	Sefin 250 Cap	Cephradine	1st generation Cephalosporin	Respiratory tract infections, Skin and skin structure infections, Urinary tract infections
	Sefin 500 Cap			
	Sefin 250 IV/IM			
	Sefin 500 IV/IM			

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Sefin 1 gm IV/IM			
	Sefin 100 ml PFS			
	Sefin P. Drops			
	Sefin DS 50 ml PFS			
	Sefin DS 100 ml PFS			
	Torped 250 IV/IM	Cefotaxime	3rd generation Cephalosporin	Lower Respiratory Tract Infections, UTI, Gynecologic infections, Central nervous system infections, Skin Infection.
	Torped 500 IV/IM			
	Torped 1gm IV/IM			
	Truso 200 Cap	Cefixime		Uncomplicated urinary tract infections, otitis media, pharyngitis and tonsillitis, acute exacerbations of chronic bronchitis , Typhoid Fever.
	Truso 400 Cap			
	Truso Susp 37.5ml			
	Truso Susp 50ml			
	Truso DS 50 ml			
	Truso 15 ml PD			
	Vertex 250 IV	Ceftriaxone		Lower respiratory tract infections, Otitis Media, UTI, Gonorrhoea, Septicemia
	Vertex 250 IM			
	Vertex 500 IM			
	Vertex 500 IV			
	Vertex 1 gm IM			
	Vertex 1 gm IV			
	Vertex 2 gm IV			
	Xclor 100ml PFS	Cefaclor	2nd generation cephalosporin	Otitis media, Lower Respiratory Tract Infections
	Xindal-150 Cap	Clindamycin	Lincosamide antibiotic	Skin & Skin structure infection, RTI, Septicemia, Intra abdominal Infections
	Xindal-300 Cap			
	Zidim 250 IV/IM	Ceftazidime	3rd generation Cephalosporin	Respiratory Tract Infections, Skin and Skin-Structure Infections, Bone & Joint infections, Gastroinestinal, biliary & Abdominal infections.
	Zidim 500 IV/IM			
	Zidim 1gm IV/IM			
ANTIFUNGALS	Conaz 50 Cap	Fluconazole	Azole antifungals	Vaginal candidiasis, mucosal candidal infections, systemic candidiasis
	Conaz 150 Cap			
ANTIPROTOZOAL	Nidazyl 400 Tab	Metronidazole	Nitroimidazole Antimicrobial	Trichomoniasis, Amebiasis, Anaerobic bacterial infections, Intra-abdominal infections
	Nidazyl Susp.			
	Zoana PFS 32 ml	Nitazoxanide	Broad-spectrum antiparasitic & Antiviral	Diarrhea caused by protozoa, Amoebiasis, Helminth Infection
	Zoana PFS 62 ml			
	Zoana Tab			
TOPICAL PREPERATION	Avison Cream	Econazole Nitrate BP + Triamcinolone Acetonide	Antifungal	Dermatophytosis, Superficial mycosis, Cutaneous candidiasis, Ringworm, Eczematous mycosis
	Miki-H Cream	Miconazole Nitrate BP + Hydrocortisone BP	Topical Steroid	Intertrigo, Infected eczema, moist & dry eczema , atopic eczema, primary irritant
	Xzema Cream	Fusidic Acid + Betamethasone Valerate	Topical corticosteroid with antibacterial agent	Atopic eczema, discoid eczema, Stasis eczema, psoriasis
	Xenocort Ointment	Clobetasol Propionate BP	Topical Steroid	Hyper acute eczema, chronic hyperkeratotic eczema, chronic hyperkeratotic psoriasis, acute light sensitivity
	Xenocort Cream			
ANTIOXIDANTS	EC-Plus Tab	Vit. E + Vit. C	Antioxidant/Vitamins	Coronary Heart Diseases, Stroke, Early aging, Atherosclerosis, Diabetic mellitus, Tumors and cancers
ANTIHYPERTENSIVES	Betacal Tab	Atenolol + Amlodipine	Beta Blocker + Calcium Channel Blocker	Hypertension, Angina
	Bisoloc 2.5 Tab	Bisoprolol Fumarate	Beta Blocker	
	Bisoloc 5 Tab			
	CCB -5 Tab	Amlodipine	Calcium Channel Blocker	
	Lopres 50 Tab	Atenolol	Beta Blocker	
	Frulac Tab	Spironolactone + Frusemide	Antimineralocorticoid + Loop diuretic	Congestive Heart Failure, Essential Hypertension, Edema, Ascites due to liver cirrhosis
	Frulac 40 Tab			

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Losan 25 Tab	Losartan Potassium	Angiotensin 2 Receptor Blocker	Hypertension, Heart Failure
	Losan 50 Tab			
	Losan 100 Tab			
	Losan Plus Tab	Losartan Potassium + Hydrchlorthiazide	Angiotensin 2 Receptor Blocker + Thiazide diuretic	
LIPID LOWERING DRUGS	FenoCap Cap	Fenofibrate	Peroxisome Proliferator Receptor alpha Agonist	Hyperlipidemia of types IIa, Iib, III & IV
	Lipex 10 Tab	Atorvastain Calcium	2nd generation Statin	Ensure better lipid management with higher strength, Dyslipidemia
	Lipex 20 Tab			
	Rovex 5 Tab	Rosuvastatin	3rd Generation Statin	Diabetic or Cardiac patient with High Cholesterol level, Any patients with High Cholesterol level
	Rovex 10 Tab			
ANTITHROMBOTICS	Clognil 75 Tab	Clopidogrel	P2Y12 Platelet Inhibitor	Ischemic events, Myocardial Infarction, Ischemic Stroke, Acute Coronary Syndrome, Peripheral vascular diseases
	Clognil Plus Tab	Clopidogrel + Aspirin	P2Y12 Platelet Inhibitor + NSAIDs	
	Opagrel-5 Tab	Prasugrel	P2Y12 Platelet Inhibitor	
	Opagrel-10 Tab			
ANTIANGINALS	Angimet Tab	Trimetazidine Dihydrochloride INN 20	Cytoprotective anti-ischemic agent	Angina, Myocardial Infarction, Heart Failure
	Angimet MR Tab	Trimetazidine Dihydrochloride BP Modified Release		
	NitroCap Cap	Nitroglycerin USP	Vasodialator	Angina, Heart Failure, Pulmonary Hypertension
ANTIDIABETICS	Oclazid Tab	Gliclazide	Sulfonylureas	Treatment of maturity -onset sTable diabetics when dietary modification has failed to control hyperglycemia
	Oclazid MR Tab	Gliclazide MR		
	Ormin 500 Tab	Metformin Hydrochloride	Biguanides	As monotherapy, as an adjunct to diet to lower blood glucose in patients with NIDDM, as adjunct therapy for IDDM with insulin
	Ormin 850 Tab			
	Stimulin 1 Tab	Glimepiride	Sulfonylureas	As an adjunct to diet and exercise for the management of Type-2 diabetics, patients whose hyperglycemia cannot controlled by diet and exercise alone
	Stimulin 2 Tab			
VITAMINS & MINERALS	Combivit IV/IM Inj	Vitamin B Complex	Vitamin	Pre &post operative treatment when requirements are increased as in fever, severe burns, deficiency of Vitamin-B complex, Healing wounds
	Goldage Tab	Multivitamin+Multimineral	Multivitamin+Multimineral	For the prevention & treatment of vitamins and mineral deficiencies
	Silvage Tab			For the prevention & treatment of vitamins and mineral deficiencies for patients over 45 age
	Gold Kid Syp	Multivitamin with cod liver oil	Vitamin	For the prevention & treatment of vitamins and mineral deficiencies, children with increased requirement for vitamins
	Glory Capsule	Carbonyl Iron ph	Mineral	Prevent low blood levels of iron during anemia or pregnancy)
	Heptamin Cap	Iron,Folic Acid, B-Vitamins & C-Vitamin	Vitamin + Mineral	For the treatment of iron & vitamin deficiencies
	Livit-C Tab	Ascorbic Acid	Vitamin	Scurvy, common cold, influenza, gingivitis, wound healing, maintaining healthy blood vessels
	Maxical Tab	Calcium 500 mg	Mineral	Calcium deficiency, Osteoporosis
	Maxical D Tab	Calcium + Vitamin D_3	Vitamin + Mineral	Osteoporosis, rickets, osteomalacia & tetany, supplements during pregnancy &

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
				lactation, Calcium & Vitamin D deficiency
	Maxical M Tab	Calcium+VitaminC+VitaminE +Multimineral	Vitamin + Multimineral	Osteoporosis, Softening of bone, supplement in pregnancy, maintaining strong & healthy bone
	Maxical DX Tab	Calcium 600 mg+Vit D3 400 IU	Calcium Supplement	Calcium supplement during pregnancy, osteoporosis, calcium deficiency, osteoarthritis
	Newage Tab	Multivitamin+Multimineral	Multivitamin+Multimineral	Provide vitamins and minerals throughout the pregnancy & during postnatal period for both lactating and non-lactating mothers
	Orioplex Tab	Vitamin B Complex	Vitamin B Complex	Vitamin B deficiency
	Orioplex-M Tab	Multivitamins + Minerals	Multivitamins + Minerals	
	Orioplex 100 ml Syp	Vitamin B Complex	Vitamin B Complex	
	Orioplex 200 ml Syp			
	Tone	Thiamine Hydrochloride	Vitamin B1	MeTabolic disorders, Thiamine deficiency
	Zimplex Syp	Iron+Zinc+Vit B-Complex	Vitamin & Mineral	Iron & vitamin deficiency
	Pep Syp	Zinc	Zinc	Impaired immune function, diarrhoea, pneumonia, common cold, growth retardation, loss of appetite
	Pep-2 100 ml Syp			
	Pep-2 200 ml Syp			
	Pep-20 Syp			
	Pep-20 Tab			
	Pep-plus 100 ml Syp	Zinc +Vit B-complex	Zinc +Vit B-complex	Impaired immune function, diarrhoea, pneumonia, common cold, growth retardation, loss of appetite, poor memory condition, Neurological disorder
	Pep-plus 200 ml Syp			
	Pep-plus Tab			
HAEMATINICS	ESP Cap	Zinc Sulphate + Folic Acid	Mineral	Correction of Zinc & folate deficiency like growth retardation, immunological dysfunction, anemia in pregnancy, fatigability
	Ferrolin TR Cap	Ferrous Sulphate + Zinc Sulphate + Folic Acid		Prophylaxis of Iron, Folic acid and Zinc deficiency specially during pregnancy and lactation
	Feroven Inj	Iron Sucrose		Rapid supply of iron in emergency conditions such as anemic pregnant women, women of child bearing age especially those with heavy menstrual loss, frequent blood donors
	Feroven IV Infusion	Iron Sucrose with normal saline		
NSAID	Dexpro 300 Tab	Dexibuprofen	Active dextrorotatory enantiomer of ibuprofen	Osteoarthritis, rheumatoid arthritis, ankylosing spondylitis, primary dysmenorrhea, dental pain
	Dexpro 400 Tab			
	Fevac Susp	Paracetamol	Analgesis & Antipyretic	Fever, Pain
	Hedex Tab	Paracetamol + Caffeine	Analgesis & Antipyretic + CNS stimulant	Headache & Migraine, Fever & Flu, Toothache , Sore throat, Dysmenorrhea, Rheumatic & Muscular pain
	Ketorin Inj	Ketorolac	Pyrrolo-pyrrole group of NSAID	Moderate to severe pain, post operative pain, post partum pain, pain associated with trauma, musculoskeletal pain
	Ketorin Tab			
	Noak Tab	Aceclofenac	Analog of Diclofenac	Pain and inflammation in osteoarthritis, rheumatoid arthritis, ankylosing spondylitis, primary dysmenorrhea, dental pain
	Orfenac TR Cap	Diclofenac Sodium	Benzene-acetic acid derivative	
	Orfenac Plus Inj	Diclofenac & Lidocaine		

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Orket Inj	Ketoprofen	Propionic acid derivative	Rheumatoid arthritis, Ankylosing spondylitis, sports injury, orthopedic procedure, migraine, trauma, surgery
	Tendonil Cap	Acemetacin	Cyclooxygenase inhibitor	Pain & Inflammation in Rheumatic Diseases, Pain & Inflammation in other Musculoskeletal disorders, Post -Operative Analgesia.
	Tenorix Tab	Tenoxicam	Cyclooxygenase (Cox-2) inhibitor	Osteoarthritis, rheumatoid arthritis, ankylosing spondylitis, acute gout, tendinitis & Bursitis
	Eroflam 60 Tab	Etoricoxib		Pain and inflammation in Osteoarthritis, Rheumatoid arthritis, Chronic Musculoskeletal disorders, Acute gout pain of Dysmenorrhoea and dental pain.
	Eroflam 90 Tab			
	Venoxen 500 Tab	Naproxen	Propionic acid derivative	Pain and inflammation in rheumatic disease, Dysmenorrhoea, Acute gout
	Novoxen 500 Tab	Naproxen & Esomeprazole	Propionic acid derivative & Proton Pump Inhibitor	Osteoarthritis, rheumatoid arthritis, ankylosing spondylitis and to decrease the risk of developing gastric ulcers in patients at risk of developing NSAIDs-associated gastric ulcers.
	Novoxen 375 Tab			
MUSCLE RELAXANTS	Baclon 5 Tab	Baclofen	Gamma-Aminobutyric Acid-ergic Agonist	Spasm & Spasticity, low back pain, GERD
	Baclon 10 Tab			
	Eprel Tab	EperisoneHcl	Antispastic	Spastic paralysis in conditions such as cerebrovascular disease, Spastic spinal paralysis, Cervical spondylosis
ANTI DEMENTIA	Memogen Tab	Memantine	NMDA receptor antagonist, 5-HT3 antagonist, Nicotinic antagonist, N-methyl-D-aspartate Receptor Antagonist	Symptomatic treatment of mild to moderate dementia of Alzheimer's type
ANXIOLYTICS & ANTIDEPRESSANT	Bromazep Tab	Bromazepam	Benzodiazepine	Anxiety & tension states, Anxiety associated psychological problems & hypertension
	Rivo 0.5 Tab	Clonazepam	Benzodiazepine	Panic attack, Epilepsy, Anxiety
	Rivo 2 Tab			
	Timex Tab	Clomipramine	Tricyclic antidepressant	Psychogenic depression, , Psychosomatic affections accompanied by anxiety and apathy, Menopausal depressions
	U4 Tab	Flupentixol + Melitracen	Typical antipsychotic +Tricyclic antidepressant	
ANTIPSYCHOTICS	Rispa 1 mg Tab	Risperidone INN	Atypical antipsychotic	Acute and chronic schizophrenic psychoses, and other psychotic conditions, in which positive symptoms (such as hallucinations, delusions, thought disturbances, hostility, suspiciousness)
	Rispa 2 mg Tab			
NERVE REGENERATING AGENT	Nervex Tab	Mecobalamin	Active co-enzymes of Vitamin B_{12}	Peripheral neuropathies , , Diabetic neuropathy, Parkinson's disease, Alzheimer's disease, Bell's palsy, Multiple sclerosis, Intercostal neuralgia, Diabetic retinopathy,Lumbago
ANTI NEUROPATHICS	Xil Cap	Pregabalin	Analogue of gamma-aminobutyric acid (GABA)	Neuropathic pain, fibromyalgia, seizures/epilepsy, GAD (Generalised anxiety disorder)
	Xil-50 Cap			
	Nugesic Tab	Vitamin B 1+ Vit. B 6+ Vit. B 12	Vitamin	Neuropathy, Neuritis, Neuralgia, Cervical Syndrome, Shoulder Arm Syndrome, Lumbago, Sciatica, Myalgia, Intercostal Neuralgia, Trigeminal Neuralgia and Arthritis.
PDE5 INHIBITORS	Fulfeel Tab	Sildenafil	PDE5 inhibitors	Indicated for the treatment of erectile

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Refeel Tab	Tadalafil		dysfunction. Sexual stimulation is required for the effectiveness of Fulfeel.
ANTIHISTAMINES	Broket Tab	Ketotifen	Histamine-1 Receptor Inhibitor	Prophylactic treatment of bronchial asthma, Symptomatic treatment of allergic conditions including rhinitis and conjunctivitis.
	Broket Syp			
	Cloramin Syp	Chlorpheniramine Maleate	Sedating antihistamines	Urticaria, sensitivity reactions, angioneuroticoedema, seasonal hay fever, vasomotor rhinitis, cough, common cold, motion sickness.
	Deslor Tab	Desloratadine	Histamine-1 Receptor Antagonist	Seasonal and perennial allergic rhinitis, such as sneezing, nasal discharge & itching, congestion/stuffiness, ocular itching, tearing and redness, itching of palate and coughing.
	Deslor Syp			
	Deslor Kidz Syp			
	Nosedex Tab	Fexofenadine HCl	Histamine-1 Receptor Antagonist	Seasonal Allergic Rhinitis, Chronic Idiopathic Urticaria
	Riz Tab	Cetirizine Dihydrochloride		Seasonal allergic rhinitis and conjunctivitis, perennial allergic rhinitis, pruritus and urticaria of allergic origin
	Riz Syp			
	Rupenta Tab	Rupatadine	2nd generation Histamine-1 Receptor Antagonist	Seasonal and perennial allergic rhinitis, such as sneezing, nasal discharge & itching, congestion/stuffiness, as well as ocular itching, tearing and redness, itching of palate and coughing.
ANTIASTHMATICS	Orsal Syp	Salbutamol	Beta2-adrenergic agonist	Asthma, bronchospasm and reversible airways obstruction by widening the airways of the lungs.
	Arovent 10 mg Tab	Montelukast	Leukotriene Receptor Antagonist	Indicated for the prophylaxis & chronic treatment of asthma in adults & pediatric patients.
	Arovent-5 mg Tab			
	Neulyn Tab	Theophyline SR Tab	Methylxanthine	Control of acute asthma, management of chronic asthma, controlling of nocturnal asthma & early morning wheezing
	Axofyl 200 mg Tab	Doxofylline	Xanthine Derivatives (Bronchodilator)	Asthma, COPD, Bronchospasm
	Axofyl 400 mg Tab			
ANTI COUGHS	Ambronil Syrup	Ambroxol Hcl BP	MeTabolite of BROMHEXINE	Productive cough, Acute and chronic inflammatory disorders of upper and lower respiratory tracts associated with viscid mucus, Asthmatic bronchitis, Bronchial asthma with thick expectoration, Chronic pneumonia.
	Ambronil Drops			
	Deconil SR Tab	Butamirate Citrate	Cough suppressant	Dry cough of any etiology, cough due to lower respiratory tract infections, pre &post operative cough
	Deconil Syrup		Opium alkaloid	
	Flegnil Susp	Carbocisteine	Mucolytic	Adjunctive therapy for specific respiratory tract disorder, ensures expectoration & improvement in ventilation
	Flegnil DS Susp			
ANTICANCER	Enliven Cap	Imatinib Mesylate	Antileukemic	Philadelphia chromosome positive Chronic Myeloid Leukemia (CML) in all 3 phases, Gastrointestinal Stromal Tumors, Newly diagnosed pediatric patients wth Ph+ Acute Lymphocytic Leukemia (Ph+ALL).

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
DRUG FOR URINARY RETENTION	Tamlosin Tab	Tamsulosin	Alpha blocker	Benign Prostatic Hyperplasia, Urinary Incontinence, BPH symptoms like Hesitancy, intermittency, terminal dribbling
ANTACIDs & ANTIFLATULANT	Marvelta Susp	Sodium Alginate & Potassium Bicarbonat	Acid neutralizer	Symptoms of gastro-oesophageal reflux, such as acid regurgitation, heartburn and indigestion (related to reflux), for example, following meals or during pregnancy or in patients with symptoms related to reflux esophagitis.
	Novelta 200 ml Susp	Magaldrate + Simethicone		Hyperacidity, gastric and duodenal ulcer, gastritis, heartburn, dyspepsia, gastroesophageal reflux. Novelta is also indicated for the relief of flatulence, abdominal distention and windy colic.
	Novelta 100 ml Susp			
	Novelta Chewable Tab			
ANTIFLATULENT	Pedicon Paed. 10 ml Drops	Simethicone	Plain Antiflatulant	Flatulence, Abdominal discomfort, Infant Colic
	Pedicon Paed. 15 ml Drops			
ANTIULCERANTS	Ortac Tab	Ranitidine	H_2 antagonist	Gastric and duodenal ulcer, Prophylaxis and treatment of NSAID-induced ulcer, Gastro-esophageal reflux disease (GERD), Zollinger ellision syndrome, Acid related dyspepsia, Heartburn.
	Ortac Inj			
	ProCap 20 Cap	Omeprazole	Proton-pump inhibitor	Benign gastric and duodenal ulcers including those complicating NSAID therapy, erosive reflux esophagitis and for disorders associated with hypersecretion of gastric acid, such as the Zollinger-Ellison syndrome.
	ProCap 40 Cap			
	ProCap 40 IV Inj	Lyophilized Omeprazole BP		
	Exor-20 Cap	Esomeprazole		Treatment of Gastroesophageal Reflux Disease (GERD), Healing of erosive esophagitis, Maintenance of healing of erosive esophagitis, Symptomatic relief of Gastroesophageal Reflux Disease (GERD),Risk reduction of NSAID associated gastric ulcer, H. pylori eradication (Triple therapy)
	Exor- 40 Cap			
	Exor-40 IV Inj			
LAXATIVES	Ezylax 100 ml Syp	Lactulose	Synthetic disaccharide	Constipation, hepatic encephalopathy.
	Milk of Magnesium Susp	Magnesium Hydroxide	Antacid	Constipation, heart-burn, gas and nausea. Acute & chronic constipation due to hyperacidity and peptic ulcer.
	Megalax Emulsion	Magnesium hydroxide & Liquid Paraffin		Constipation, Hyperacidity with constipation, Anorectal disorder, Post-operative constipation, Constipation associated with chronic cholecystitis.
GASTROPROKINETICS	Cosy Tab	Domperidon	Antiemetic	Nausea & Vomiting, non ulcer dyspepsia, fullness and abdominal distension, heartburn
	Cosy 100 ml Susp			
	Cosy 60 ml Susp			
	Anvert Tab	Meclizine & Pyridoxine		Nausea, vomiting, motion sickness, vertigo, dizziness
ANTISPASMODICS	Alve Tab	Alverin citrate	Antispasmodic	IrriTable Bowel Syndrome, Abdominal pain associated with menstrual periods (Primary dysmenorrhea)
	Onium Tab	Tiemonium	Antispasmodic	Gastroenteritis, enterocolitis, diarrhea, cholecystitis, dysentery, Visceral pain, Dysmenorrhoea, Biliary Colic , Renal Colic,
	Onium Inj			
	Onium 50 ml Syrup			

Therapeutic area	Trade Name	Generic Name	Therapeutic class	Indications
	Onium Syrup			Colonopathy.
BONE MODULATING AGENT	Boncare Tab	Ibandronic Acid	Bisphosphonate	Prevention & treatment of osteoporosis in women (especially postmenopausal).Prevention & treatment of osteoporosis in men.
	Ralox Tab	Raloxifene HCL	Estrogen Agonist/Antagonist	Treatment and prevention of osteoporosis in postmenopausal women.
ANTI EMETICS	Onasia Tab	Ondansetron	5-HT3 receptor antagonist	Post operative Nausea and Vomiting Chemotherapy Induced Nausea and Vomiting.
	Onasia Oral Solution			
	Onasia inj			
	Palostar 0.5 mg Tab	Palonosetron		
	Palostar 0.075 mg/ 1.5 ml Inj			
ANTI GOUT	Fostat-40 Tab	Febuxostat	Inhibitor of xanthine oxidase	Chronic gout and hyperuricemia
ANTI FIBRINOLYTIC	Oranex Cap	Tranexamic Acid	Antifibrinolytic	Bleeding due to trauma, Heavy menstrual bleeding, Surgery
Opoid Analgesic	Novodol Tab	Tramadol & Paracetamol	Opoid Analgesic	Treatment of moderate to severe pain, such as post surgical pain, acute and chronic low back pain, osteoarthritic pain, dental pain, muscle pain etc.

FLAGSHIP PRODUCTS



BONcare® Ibandronic Acid INN

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



Frulac®
Furosemide BP 20 mg & 40 mg
Spironolactone BP 50 mg

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



cefditor®200
Cefditoren INN 200 mg Tablet

Lower respiratory tract infections, urinary tract infection



Enliven®
Imatinib Mesylate INN 100 mg

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



Meromax®
Meropenem USP 500 mg & 1 gm IV Injection

Severe Community Acquired Pneumonia, Bacterial Meningitis, Skin & Skin structure infections, Intra abdominal Infections, Cystic Fibrosis



Exor®
Esomeprazole

Treatment of Gastroesophageal Reflux Disease (GERD), maintenance of Healing of erosive esophagitis.



Vertex®
Ceftriaxone BP

Lower respiratory tract infections, Otitis Media, UTI, Uncomplicated Gonorrhea, Septicemia



pep®
Zinc Sulphate
4.05 mg/5 ml Syrup

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



Feroven®
Iron Sucrose USP Infusion

Severe Community Acquired Pneumonia, Bacterial Meningitis, Skin & Skin structure infections, Intra abdominal Infections, Cystic Fibrosis



Novelta®
Magaldrate + Simethicone

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



Clognil®
Clopidogrel INN 75 mg Tablet

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



Deslor®
Desloratadine

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



Tendonil®
Acemetacin BP 60 mg Capsule

Pain & Inflammation in Rheumatic Diseases, Pain & Inflammation in other Musculoskeletal disorders, Post Operative Analgesia.



Co-axet®
Cefuroxime Axetil & Clavulanic Acid

Pharyngitis/Tonsillitis, Otitis media, Sinusitis, bronchitis, Lower respiratory Infections,Skin and Skin structure Infections, Urinary tract Infections, Uncomplicated gonorrhea.



Onium®
Tiemonium Methylsulphate INN 50 mg Tablet, 5 mg/2 ml Injection & 10 mg/5ml Syrup

Gastroenteritis, enterocolitis,diarrhea, cholecystitis,dysentery, Visceral pain, Dysmenorrhoea, Biliary colic, Renal Colic, Colonopathy.



ROVEX
Rosuvastatin 5 mg & 10 mg Tablet

Hyperlipidaemias, primary Hypercholesterolaemia, mixed Dyslipidaemia.



EC-Plus®
Vitamin E 200 mg + Vitamin C 200 mg Tablet

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



Procap®
Omeprazole

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



Enliven

Imatinib Mesylate INN 100 mg

In 2004 Orion Pharma Limited initiated the Enliven Patients Assistance Program (EPAP), an endeavor to provide Enliven at subsidized price or in some cases at free of cost for the underprivileged blood cancer patients in Bangladesh. Enliven is used to treat certain types of leukemia (blood cancer), bone marrow disorders, and skin cancer, or certain tumors of the stomach and digestive system. Under this program, we provide an average discount of BDT 80 per capsule which equivalents to 60% of the medicine's actual price. This discount reduces the price of the Enliven capsules which is a small step on behalf of the Company to help cancer patients.

In 2017 the Company has newly brought 8 (eight) patients under this program. Till date we at OPL have served more than 200 (two hundred) Chronic Myeloid Leukemia patients with a vow of maintaining this even in the future.

OUR GLOBAL FOOTPRINT

Our position in the international pharmaceutical market during the reporting FY is as follows-



The pharmaceutical industry is one of the most dynamic and powerful sectors in Bangladesh. It is technologically one of the most developed manufacturing industries and currently contributes about one percent to total GDP with great potential for expansion. Total domestic healthcare expenditures are currently approximately three percent of GDP, offering substantial opportunity for domestic pharmaceutical sales in addition to exports. Our country's pharmaceutical industry exports about 500 pharmaceutical items covering all major therapeutic classes and dosage forms, to about 113 countries.

The World Trade Organization's (WTO) Trade-Related Aspects of Intellectual Property Rights (TRIPs) agreement permits Bangladesh to reverse-engineer patented generic pharmaceutical products to sell locally and export to markets around the world. The WTO-TRIPS Council has granted LDCs including Bangladesh an exemption from obligations to implement or apply patents as well as data protection for pharmaceutical products until at least January 1, 2033. This agreement is turning Bangladesh into a hub for affordable and high-quality generic medicines and contract manufacturing, with exports to potentially more than 85 countries across the world. More than twenty Bangladeshi pharmaceutical companies are exporting generics to international markets.

Orion Pharma Limited believes that in order to grow and develop in the future and to provide our healthcare facility globally, we must also expand beyond borders and go international. Currently we have overseas marketing network in Myanmar, Nepal, Armenia, Sri Lanka, Lesotho, Afghanistan, Cambodia, Bhutan, Sudan and Somalia. We consider many aspects when selecting a country for international business such as:

- Market size and growth rate
- Present Competition
- Registration period & procedure
- Tax & other Legal Regulations
- Presence of other Bangladeshi firms

Myanmar: We entered this country of pagodas in 2003 and started exporting since 2005. It has a market of $410 Million with an annual growth rate 16.8%. At present we are targeting to become a market leader there among other Bangladeshi companies as we are already doing a business of more than hundred products.

Nepal: The pharmaceutical market in Nepal has an expansion to $250 Million and the market growth can be considered as 11%. The market is 70% import-driven which gives us an opportunity to make our presence established over there. We entered Nepal in 2004 and started exporting since 2005.

Armenia: The pharmaceutical market in Armenia has an expansion to $148.50 Million and we entered over there in 2014. Armenia's pharmaceutical sector is hugely import driven as 90% of the country's drug requirements are fulfilled through imports. This huge import dependency is favorable for our business.

Sudan: The market in Sudan is of $509 Million and believed to grow at 11.8%. We entered the pharmaceutical market of Sudan in 2016.

Moreover, we have also obtained Registration in Egypt, Vietnam, Philippines, Uganda and Yemen. We are also in the process of registering our products and exploring business opportunity in other countries like Barbados, Benin, El Salvador, Ethiopia, Ghana, Jamaica, Kenya, Namibia, Tanzania, Vietnam, Zambia and Zimbabwe.

OUR STRATEGIC OBJECTIVES

Setting good and functional business strategic objectives, plans and adherence to them strictly are critical factors to the achievement of the mission and vision set. If we can establish a well-formulated and executed strategy, we can make sure of a strong foundation against which we can create, monitor and measure their success. The existing business strategies of OPL assist us in understanding more about ourselves and where we are going. Considering major issues or factors that need to be focused on, our business strategy outlines what are the goals of our business, how we will go about attaining these goals, direct all people and prevent them from losing sights of the Company's aim.



1 Branding



6 Operation model



2 Diversified products



7 Competition



3 Expand footprint



8 Eco friendly operation



4 Customer focus



9 Employee motivation



5 Financial Strength



10 Community engagement

The identified strategic objectives and plans are directly linked to the company's mission, vision, business model and value chain model. Some are important for value creation and some are as a part of responsible corporate citizen. The long term objectives are targeted to be achieved by around ten years and a few strategic plans are carried out considering a time horizon of around five years required to accomplish the plan while a few are already in process to get result within the financial year. The management team headed by the Managing Director meets on a quarterly basis to monitor and review the update on realization of these plans.

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
1. Uphold Brand Image				
	Provide quality products to promote brand Orion Pharma Limited strives to provide its customers essential general drugs of the finest quality. As far as quality is concerned, we are always in search of excellence. The best raw materials are used that have increased dissolution rate to ensure rapid onset of action and product of higher stability. **Invest in brand promotion both in local and overseas market** Orion Pharma Limited will make more investment both inside and outside Bangladesh in order to increase brand awareness and promotion. With a view to establishing strong brands in the market, Orion Pharma Limited selects Star Brands & Focus Brands on a quarterly basis. Product-specific Special Promotional Campaigns are held along with sponsoring doctors to various conferences/ congresses. **Extensive promotion of new brands** Launching of new product is one of the most important endeavors for any pharmaceutical company to gain a substantial share out of it. Orion Pharma Limited gives special importance to promotion of new brands. New strategies are formulated to create awareness and promote the new brands.	Financial Capital Social & Relationship Capital	• Marketing including International marketing and Medical Service department	**Achieved in 2016-17:** • Increase in flagship brands: Procap, Rovex, EC-Plus and Onium • Increase in promotional expenses by 71.80% • Working on the achievement of ISO 9001:2015 **Plan for 2017-18:** • Establish some selective products as emerging flagship brands • Achieve ISO 9001:2015

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
2. Diversify the product range				
	Build a strong team including the research and development, the PMD and the marketing department Product research and development, management and effective marketing are very crucial in the pharmaceutical industry. Orion Pharma Limited is no exception to this and the company takes every initiative to strengthen the team, because they ultimately bring improvements in product lines. **Assess both the opportunity and risk of new product development** Orion Pharma Limited believes that adding a new product or entering a new market segment offers the opportunity for exponential growth. However, before deciding to develop new products, Orion Pharma Limited assesses both the opportunity and risk of new product development. **Analyze whether the resources are available to develop new products or modify existing one** Orion Pharma Limited analyzes resources available and develops strategies about the optimum use of the funds available. The company sets a budget for the diversification program and secures fund needed.	Intellectual Capital Financial Capital Human Capital	• Product Management Developmen • Marketing • R & D	**Achieved in 2016-17:** • New products launched: Axofyl, Palostar and Maximox • Currently working on development of seven new products **Plan for 2017-18:** • Develop and launched new products according to market condition • Start to work on the production and marketing of hormone and oncology products
3. Expand portfolio footprint				
	Perform due diligence before expansion of business overseas Orion Pharma Limited carries out an extensive 'due diligence' before expanding to international borders. The factors that it considers are Registration period, Tax Regulations, Market Size, Growth Potential, Competition Scenario etc. **Continuous development of expansion strategies and research the market** Orion Pharma Limited carries out ways to formulate and implement marketing strategies, once it decides the country where it will next market its medicines. In order to attain high growth and profitability in those countries, it develops customized strategies according to the countries.	Financial Capital Human Capital	• Product Management Development • Marketing including international marketing department	**Achieved in 2016-17:** • New export market in Sudan and Bhutan • Delay in commencing the new pharma plant created hindrance to explore new export markets

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
	Expansion in emerging markets in African countries Barbados, Benin, El Salvador, Ethiopia, Ghana, Jamaica, Kenya, Namibia, Tanzania, Zambia, Zimbabwe are the emerging markets and Egypt, Vietnam, Philippines, Uganda, Yemen are the registered markets. We are working to start the registration where required and commence the export as early as possible.			**Plan for 2017-18:** • Once the production starts in our new plant, we will work extensively to export in the emerging markets
4. Secure customer satisfaction and loyalty				
	Recognize the needs and requirements of customers Orion Pharma Limited carries out an extensive survey to find out and understand the needs and requirements of customers. This is because customers ultimately provide and create value in the business and therefore understanding and catering to their needs is very essential. **Maintain quality products to retain loyalty** Orion Pharma Limited understands the fact that 'Quality' is critical to satisfying customers and retaining their loyalty. The R&D, QA and QC departments over here work very hard to maintain and improve the quality of the products by using the best raw materials and latest technology. **Product Complain Form** Customers are given a product complain form to raise any issues related to the products, if any. The customers expect to be responded to within a short span of time with appropriate service. Orion Pharma Limited always responds back to customers regarding any queries or services, within the shortest span of interval.	Social & Relationship Financial Capital	• Product Management Development • Marketing including International marketing and Medical Service department	**Achieved in 2016-17:** • Three product complain forms were received and dealt accordingly as per our SOP on Management of customer complain • Strictly complied with the annual budget approved with respect to regular communication with potential and emerging customers **Plan for 2017-18:** • Focus on the right brand & right promotional channel thereby will propel to satisfy customers' need
5. Strengthen the Balance Sheet				
	Maintain diverse funding sources and conservatism in fund usage Orion Pharma Limited maintains diverse funding sources to attain the most effective means of financing for the success of the organization. The company utilizes a combination of funding sources and uses the available fund in prudent manner which help us to create more growth, opportunities and overall potential.	Financial Capital	• Finance • Accounts	**Achieved in 2016-17:** • NAV increased by 1.37% • Foreign financing amounting US$ 34.281 million

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
	Gain access to foreign financing Currently Orion Pharma Limited is focused on formulating strategies to gain access to international debt financing because this has lower cost of capital compared to local financing. In order to get international financing, OPL maintains a stable credit rating and also a good financial standing. OPL has been maintaining a positive cash flow since its inception, and the new Pharma Park will further boost up this cash flow. The Goodwill that the company has in the market, also helps to get us noticeable to the international banks. **Maintain capital allocation in a disciplined manner** The management of Orion Pharma Limited always has the goal to optimize capital allocation so that it generates as much wealth as possible for its shareholders. OPL believes that capital allocation decisions are vital in determining the future of the company and thus believes that output of every Taka invested has to be as much as possible.	Social & Relationship		**Plan for 2017-18:** • Emphasis on minimizing manufacturing cost to offset the increased VAT expense and maintain the same price level • Deal with capital expenditure decision in a effective and timely manner
6. Build an Extraordinary Operation Model				
	Use state of the art technology Orion Pharma Limited uses the best technology that helps to maintain the quality of the medicines and enables the management to attain the most effective and efficient production process. OPL works to have the most output at the lowest cost possible. **Maintain conservation of resources** Orion Pharma Limited maintains the process of using the lowest amount of resources to generate the most amount of output. The company also believes in utilizing all kinds or resources meticulously as it abides by its responsibility towards the nation. **Continuous review of operations** Orion Pharma Limited carries out reviews of operation process in a continuous basis, to find out bottlenecks, upgrade where necessary and remove unnecessary processes to save both time and cost.	Manufactured Capital	• Production • Quality Control • Quality Assurance • Engineering and maintenance	**Achieved in 2016-17:** • International firms worked as project consultants for our new plant at Siddhirganj, Narayanganj • World class standards are followed for fire, water and air management system **Plan for 2017-18:** • Build a strong supply chain management

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
7. Overcome major competition				
	Play by our Competitive Edge Orion Pharma Limited plays by its competitive advantage to beat the competitors. We have a strong foot step in Cardiovascular Drugs along with world leading generics in the product line. We also attain high quality API from world renowned suppliers. **Prioritize Customers** Orion Pharma Limited uses a holistic approach to develop new go-to-market strategies that include customer prioritization models that ultimately result in customer loyalty, retention and more profit per customer.	Financial Capital  Social & Relationship 	• Marketing including International marketing and Medical Service department	**Achieved in 2016-17:** • Strictly complied with the annual budget approved with respect to sales and marketing strategies **Plan for 2017-18:** • Extensive promotional activities will be executed as per the customer criteria
8. Implement Environment Friendly Practices				
	Apply eco-friendly staff practices Orion Pharma Limited implements sustainable business practices and also encourages employees to live a sustainable, eco-conscious life. The idea of reducing both waste and consumption is highly supported in the office premises. The company supports and follows the concepts of recycling, reusing, carpooling etc. **Implement environment-friendly production plan** With the aim to reduce pollution in the environment, Orion Pharma Limited uses clean technology in its production process. The company's Environmental Management System (EMS) guarantees that it is operating without making the environment polluted. The company implements strategies in areas especially concentrating on Waste Management System, Air Pollution and Dust Emission. **Adopt extra initiatives in the new Pharma Park** In order to maintain the company's commitment to continue its eco-friendly practices, OPL's management will apply a number of extra initiatives exclusively for the new plant where strategies to reduce Carbon Impact or Emission will be adopted. The company also has formulated an Ecological Plan to conserve water and control dust.	Natural Capital  Manufactured Capital 	• Production • Engineering and maintenance	**Achieved in 2016-17:** • We have effective waste management system in practice • Use of energy savings bulb • Use of electronic device and technology results in substantial reduction in use of papers **Plan for 2017-18:** • Extra initiatives will be adopted for environmental consideration

Strategic Objectives (Long term)	Strategic Plans (Short and medium term)	Capitals Impacted	Resources / Departments	Parameters /KPIs used for strategic objectives & plans
9. Attract, retain and motivate employees				
	Build a strong HR team to recruit the best employees Orion Pharma Limited believes that the Human Resources department plays a key role in the organizational effectiveness of a company. The company has a strong HR team that identifies and recruits the best and most competent employees. **Offer attractive remuneration and benefits packages** Orion Pharma Limited believes that to gain sustainability, the firm must contribute to the employees considering their needs according to the competitive market. Our philosophy is to make the appropriate compensation to the service they provide the company. **Develop skills through training and development** Training and development is a continuous process in Orion Pharma Limited throughout the year so that the continuous improvement of employees is ensured. As a diverse working place, OPL conducts training for ethical, cultural and social interactions. **Prevent work-related injuries and fatalities** Orion Pharma Limited believes that the company's most valuable asset - its people - should always be and feel protected. Thus the safety of all employees is of most importance and we have a great safety culture in the workplace. A safe work environment produces happier employees and increases their motivation and productivity. We follow the modern concept of safety guideline to ensure zero harm.	Human Capital Intellectual Capital Financial Capital	• Human Resources • Accounts	**Achieved in 2016-17:** • Adjustment of salary structure to cope with recent change in economic condition of Bangladesh • 503 employees received training facilities • 323 employees received promotion • 1 work related injuries and zero fatalities **Plan for 2017-18:** • Follow the current HR policy and ensure employee satisfaction and engagement at all levels of the company
10. Serve the Community				
	Quarterly review of CSR Program & Budget Allocation Orion Pharma Limited believes that Corporates have a sense of responsibility towards the society that must be fulfilled because the success of each has a huge impact on the other. The importance of Corporate Social Responsibility has increased in recent years, largely due to the growing influence of millennials. The company reviews the CSR Program and its Budget Allocation on a quarterly basis, as OPL believes that CSR provides us long term growth and success by building a warm image of the entity, which is a reflection of the mind-set of the owners of the Company.	Social and Relationship capital	• Company Affairs • Accounts	**Achieved in 2016-17:** • 3 CSR programs were taken • BDT 6.2 million Spent on CSR **Plan for 2017-18:** • Explore new area for CSR program



OUR BUSINESS OPPORTUNITIES

The Pharmaceutical sector is one of the most promising sectors in Bangladesh which is currently contributing significantly in the country's economy. The pharmaceutical industry is at a vital stage at the moment and this sector has a bright future because as the economy develops and people's income level rises, awareness about healthcare also increases in the society which directly has a positive impact upon the business.

1

As a renowned company in local and overseas market, Orion Pharma Limited (OPL) has broad scope for gaining sufficient shares with its diversified products. The management of OPL believes that increasing demand for quality drugs and medicines; and a growing emergence of Chronic diseases will help to boost sales and market share of OPL.

2

3

The Company has the scope to increase both its capacity and productivity when necessary. Our plant can adjust with changes in market demand and supply accordingly. Our production capacity is decent for current demand and extendable to further demand.

4

It is a prestigious issue for OPL as we will soon start the production of medicines in our world-class Pharma Park in Siddhirganj, Narayanganj. While introducing products from the new plant, innovation in molecule and dosage form technology is going to be emphasized in every step.

5

The Company is committed to deliver top quality essential general drugs, with long proven reliabilities by complying Good Manufacturing Practices (GMP) and the guidelines of ISO-9001:2008. The Company is also working on achievement of ISO 9001:2015 and the Final Audit (1st stage) has already been completed.

6

In order to grow and develop in the future and to provide our healthcare facility globally, we must also expand beyond borders and go international. Our footprint in international market is remarkable and it is expanding throughout the world. We have our networks in many countries of the world and are also in the process of registering our products and exploring business opportunity in countries described on pages 150 and 151.

7

The Doha declaration in WTO/ TRIPS Agreement gave each and every country belonging to the least developed countries category the option not to opt from pharma product patent until year 2016. On 6th November 2015, the WTO-TRIPS Council granted the least developed countries, including Bangladesh, an exemption from obligations to implement patents and data protection for pharmaceutical products until 2033. This decision has particular significance for Bangladesh. Bangladesh is one of the few countries which are actually in a position to reap the benefits of this decision.



At Orion Pharma Limited, we believe that happier employees feel more satisfied which results into increased motivation and productivity. Recreational activities can help break the monotony of work and bring a sense of excitement and variation in the employees. At our Company we go an extra mile by not only arranging fun activities for the white collar employees, but also organizing activities for the blue collar workers.

Every year we organize friendly competitions for the drivers and peons that lighten the mood and also bring out the fun element among everyone. Football matches between the drivers and peons were arranged in May 2017 and the games were held in the BG Press Field. One team was made up of workers who have worked in Orion for more than three years and the other team was made up of workers who have served in the Company for less than three years. Needless to say it made the workforce very happy and brought a positive vibe in them.

PRODUCT STEWARDSHIP

Product stewardship is an integral part of business operation and culture of OPL. Product stewardship occurs when all involved stakeholders in the lifecycle of a product take responsibility to reduce or eliminate the risk of unfavorable environmental, health and safety impacts to gain the utmost value from a product. OPL takes the responsibility for sustainable practices to ensure products are managed safely throughout their lifecycle from handling of raw materials to disposal or recycling of the materials and products.

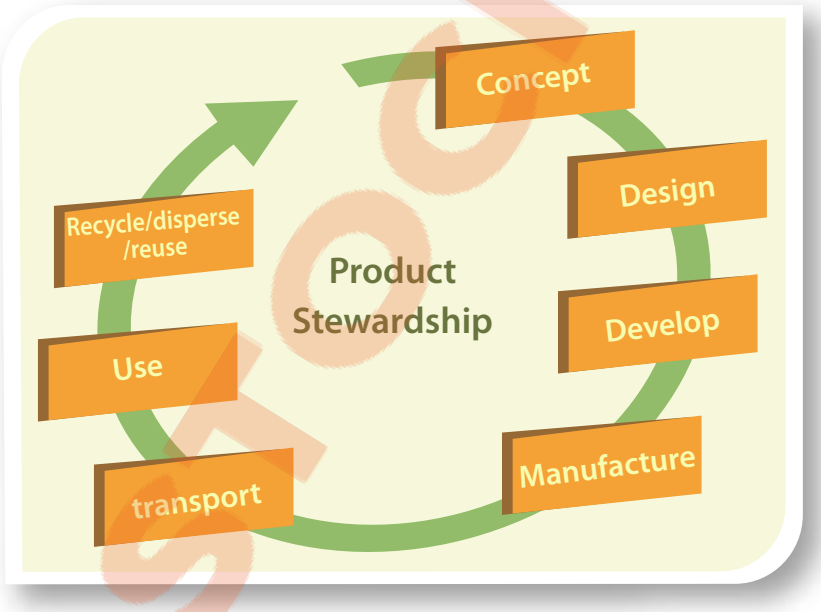
At OPL internal policies and procedures have been designed and established in the areas of research and development, production, marketing and sales to reduce the negative impact of OPL's business operations on health and environment. Regular inspections are conducted to verify the implementation of the policies and management is informed regularly about the status and deviations if there is any and corrected on an urgent basis.

The safe handling of chemicals and materials is a top priority in the manufacturing of our products. If any material is found hazardous where safety fails then that material is replaced or banned. We maintain close contact with our suppliers and ensure that they reassure conformity with our safety standards for the substances they supply and if suppliers deliver sub standard materials or cannot meet our standards, we do not continue business with them. Safety Data Sheets are maintained and accessible for employees in the factory for information like hazardous materials and waste disposal guidance etc.

OPL always wants to establish the processes which can quickly respond to changes that can affect product safety. All substances and finished products undergo extensive testing and evaluation to ensure a high degree of safety.

Our factory has been designed in such a way that both solid and liquid wastes, waste water, dusts are handled properly and no waste or dust are freed to the environment. Again all the raw materials are handled safely and factory workers are fully risk free and are not prone to health risks. So we are safer and more sustainable in how we make and use products.

Stringent and rigorous product testing is performed before any product is introduced to the market from the perspective of safety provisions of people and environment and is subject to specific approval or authorization procedures. OPL ensures that the products are compliant with rules and regulations of Bangladesh Food & Drugs Authority and do not have any negative effect on health and environment. Each and every ingredient is to be fully compliant which results in the fully compliant final product.



Compliance is not only restricted to the medicines available to the consumers, it also covers the packaging. Safety features prescribed by the concerned authority are to be mentioned on the outer packaging of the products.

Monitoring our products in the market is also an element of our product stewardship. Strict monitoring is done from the perspective of counterfeiting as well as finding problems in our products. We address the risks and take actions immediately to mitigate and eliminate the risks and problems. We have take-back programs for the unused medicines in the market and have our disposal policies for such products.

OPL cares about people and environment. Our product stewardship programs are run at every stage of the product life cycle - research and development, procurement, production, distribution to disposal of the unused products. OPL accepts the full responsibility of its products over the whole life cycle.



OUR PHARMA PARK



The global landscape of pharmaceutical market is changing continuously with the rapid pace of innovation in terms of pharmaceutical technology, regulatory requirements and treatment options.

The BIGGEST Pharma Park of the country and so far the finest and most comprehensive pharmaceutical plant is at the final stage of completion at Siddhirganj, Narayanganj by Orion Pharma where a complete array of pharmaceutical facilities and solutions in one complex is going to be established. This unique establishment has been designed to follow all latest global standards like USFDA, UK MHRA, Health Canada, and Australian TGA. In addition to conventional Pharma products, the new plant will also incorporate state of the art technologies to manufacture Cephalosporin, hormones; anti-cancer drugs among others.

In terms of investments, varieties of dosage forms, pharmaceutical technology, covered area, waste management monitoring system and eco-friendliness, this new plant will be one of the biggest in the industry.

Location & Area

Sumilpara,
Siddhirganj,
Narayanganj-1431,
Bangladesh

27 Acres

Product Lines

Solid : Tablet (Uncoated, coated, effervescent, bi-layered), Powder for suspension, Sachet
Liquid : Syrup, Suspension, Drop, Sachet
Semisolid : Cream, Ointment, Gel, Suppository, Lotion
Injection : Ampoule, Vial (liquid, powder, lyophilized), Prefilled syringe
Metered Dose Inhaler (MDI)

AUTOMATION OF THE PLANT

- Central building management system
- Fully validated dynamic software system as per GAMP-5

FIRE MANAGEMENT SYSTEM

- Intelligent addressable fire detection system
- Hi-tech fire fighting system
- Central computer monitoring & control

WATER MANAGEMENT SYSTEM

- Complete plant will be fully validated from Europe
- Most modern pre-treatment & softened water plant

AIR MANAGEMENT SYSTEM

- Individual air handing system with HEPA filter
- Precise temperature control system by software
- Precise humidity control system by software
- Precise pressure difference control system by software
- For critical product through Bag In Bag Out system

EMPLOYEE SAFETY ISSUES

- Complete personnel safety by using ISOLATOR
- Air shower & mist shower
- Most modern dressing system with separate breathing equipment

Product Facilities

Oncology
Hormone
Ophthalmic
General formulation
MDI
Cephalosporin
Biotech

Product Facilities

Oncology
Antdiabetic
Antihistamine
Antiviral
Vitamin & Mineral
Hormone
Cardiovascular
Antiulcerant
Respiratory
Anxiolytic & other CNS Ophthalmic
Antibiotic
NSAIDs
Metered dose inhaler (MDI)
Cephalosporin

Target Markets

Domestic
Asia
USA
Europe
Middle East
African countries

Project Consultants

Conceptual & basic design: TEBODIN

Detail & structural design: INGELYT

Architectural design: INGENIOUS Bangladesh

GMP consultant: ROB WALKER, UK

Effluent treatment plant (ETP) & Solid waste incineration system: effwa Infra & Research

MARSTOCK

PERFORMANCE





KEY FACTS & FIGURES



Started exporting to

BHUTAN & SUDAN

resulting in **TEN** overseas marketing networks.



General production facility of our

PHARMA PARK

will go into operation by **1st QUARTER 2018.**

On the verge of achieving

ISO 9001:2015 CERTIFICATE as

the final audit (stage 1) by TUV, Austria already completed in September 2017.



A new loan agreement with BHF-Bank Aktiengesellshaft, Frankfurt am Main, Federal Republic of Germany amounting

US$ 34.281 million

Net Revenue **BDT 9,534.35 million**

Gross Profit **BDT 2,419.25 million**

Net Profit **BDT 794.50 million**

Earning Per Share **BDT 3.40**

Cash Dividend Per Share **BDT 1.5** (Proposed)



AMAR STOCK

CONSOLIDATED

FINANCIAL HISTORY

BDT in million

	2016-17	June 2016	2014	2013	2012
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Net Sales Revenue	9,534.35	14,799.74	10,706.70	11,011.88	9,546.32
Gross Profit	2,419.25	3,861.26	2,714.48	2,895.89	3,046.46
Net Operating Profit	968.87	1,608.70	1,168.66	1,093.09	1,315.64
Profit before Tax	959.58	1,593.86	1,147.31	1,073.42	1,287.74
Net Profit after Tax	794.50	1,323.07	994.09	908.86	933.04
Earnings before Interest, Tax & Depreciation (EBITDA)	2,377.60	3,763.93	2,886.66	3,045.12	3,267.60
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Authorized Capital	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Paid up Capital	2,340.00	2,340.00	2,340.00	2,340.00	1,550.00
Shareholders' equity	16,602.52	16,377.82	15,793.92	15,264.07	12,705.30
Non-controlling interest	962.62	838.31	758.02	611.41	502.07
Total Equity	17,565.13	17,216.13	16,551.94	15,875.47	13,207.38
Total Current Liabilities	5,422.50	3,738.46	3,196.26	5,026.60	4,717.87
Total Non-current Liabilities	5,175.15	5,935.32	6,344.13	4,852.13	7,404.33
Total Non-current Assets	18,199.06	18,286.61	19,195.72	21,767.43	21,728.50
Property, Plant & Equipment	13,555.93	14,058.34	14,906.50	15,325.31	15,982.19
Total Current Assets	9,963.73	8,603.29	6,896.61	3,986.77	3,601.08
Total Assets	28,162.79	26,889.91	26,092.33	25,754.20	25,329.58
Net Current Assets/(Liabilities)	4,541.23	4,864.83	3,700.35	(1,039.83)	(1,116.79)
FINANCIAL RATIOS					
Gross Profit Ratio (%)	25.37	26.09	25.35	36.30	31.91
Current Ratio (times)	1.84	2.30	2.16	0.79	0.83
Debt Equity Ratio (times)	0.70	0.64	0.65	0.62	0.92
Return on Equity (%)	4.79	8.08	6.29	5.72	7.56
Return on Capital Employed (%)	6.67	11.78	9.89	11.23	12.48
Price Earning Ratio –DSE (times)	14.94	6.51	10.71	14.46	-
Price Earning Ratio –CSE (times)	14.88	6.54	10.71	14.46	-
ORDINARY SHARES INFORMATION					
Face Value per Share (BDT)	10	10	10	10	10
Quoted Price Per Share-DSE (BDT)	50.80	36.80	45.50	58.70	-
Quoted Price Per Share-CSE (BDT)	50.60	37.00	45.50	58.70	-
Number of Shares Outstanding	234,000,000	234,000,000	234,000,000	234,000,000	155,000,000
Dividend (Cash)	15%*	15%	15%	15%	20%
Dividend (Stock)	-	-	-	20%	-
Net Asset Value per Share (BDT) (including revaluation surplus)	70.95	69.99	67.50	65.23	81.97
Net Asset Value per Share (BDT) (excluding revaluation surplus)	62.48	61.34	58.25	55.82	65.66
Net Operating Cash flow per Share (BDT)	9.62	16.62	13.98	10.74	18.97
Earnings per Share (BDT)	3.40	5.65	4.25	4.06	5.02
Number of Shareholders	48,863	63,949	86,806	107,173	7,102
OTHER INFORMATION					
Number of Employees	2,287	2,223	2,085	2,086	2,069

* proposed

CONSOLIDATED

HORIZONTAL & VERTICAL ANALYSIS

Horizontal Analysis	2016-17	June 2016	2014	2013	2012
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Net Sales Revenue	100%	155%	112%	115%	100%
Gross Profit	79%	127%	89%	95%	100%
Operating Profit	74%	122%	89%	83%	100%
Profit before Tax	75%	124%	89%	83%	100%
Net Profit after Tax	85%	142%	107%	97%	100%
Earning before Interest, Depreciation & Tax	73%	115%	88%	93%	100%
Earnings per Share	68%	113%	85%	81%	100%
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Paid up Capital	151%	151%	151%	151%	100%
Shareholders' equity	131%	129%	124%	120%	100%
Non-controlling interest	192%	167%	151%	122%	100%
Total Equity	133%	130%	125%	120%	100%
Total Current Liabilities	115%	79%	68%	107%	100%
Total Non-current Liabilities	70%	80%	86%	66%	100%
Total Non-current Assets	84%	84%	88%	100%	100%
Property, Plant & Equipment	85%	88%	93%	96%	100%
Total Current Assets	277%	239%	192%	111%	100%
Total Assets	111%	106%	103%	102%	100%
Net Current Assets/(Liabilities)	93%	131%	356%	(93%)	(100%)

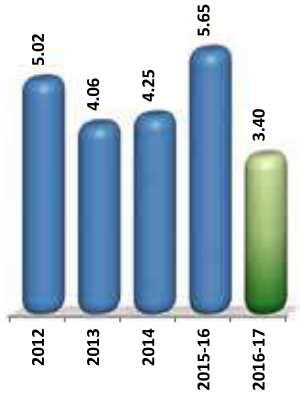
Vertical Analysis	2016-17	June 2016	2014	2013	2012
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Net Sales Revenue	100.00%	100.00%	100.00%	100%	100%
Gross Profit	25.37%	26.09%	25.35%	26%	32%
Operating Profit	10.16%	10.87%	10.92%	10%	14%
Profit before Tax	10.06%	10.77%	10.72%	10%	13%
Net Profit after Tax	8.33%	8.94%	9.28%	8%	10%
Earning before Interest, Depreciation & Tax	24.94%	25.43%	26.96%	27.65%	34.23%
Earnings per Share[1]	34.00%	56.54%	42.50%	40.60%	50.20%
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Paid up Capital	8.31%	8.70%	8.97%	9.09%	6.12%
Shareholders' equity	58.95%	60.91%	60.53%	59.27%	50.16%
Non-controlling interest	3.42%	3.12%	2.91%	2.37%	1.98%
Total Equity	62.37%	64.02%	63.44%	61.64%	52.14%
Total Current Liabilities	19.25%	13.90%	12.25%	19.52%	18.63%
Total Non-current Liabilities	18.38%	22.07%	24.31%	18.84%	29.23%
Total Non-current Assets	64.62%	68.01%	73.57%	84.52%	85.78%
Property, Plant & Equipment	48.13%	52.28%	57.13%	59.51%	63.10%
Total Current Assets	35.38%	31.99%	26.43%	15.48%	14.22%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%
Net Current Assets/(Liabilities)	16.12%	18.09%	14.18%	(4.04%)	(4.41%)

[1] Earning per share has been shown as a percentage of book value per share

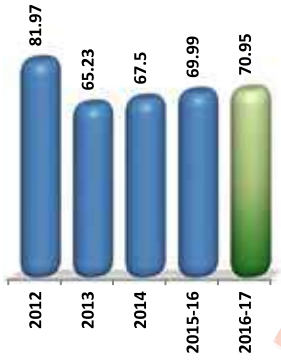
CONSOLIDATED

GRAPHICAL DATA

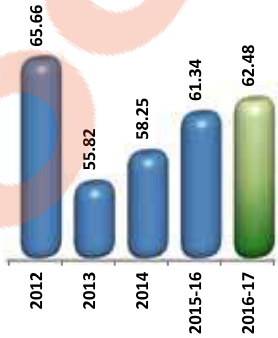
EARNING PER SHARE
(BDT)



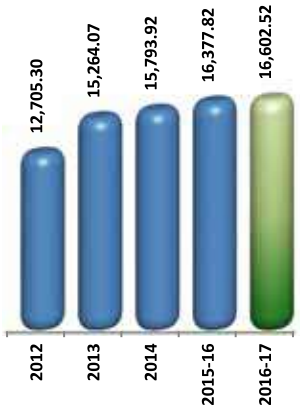
NAV PER SHARE
(BDT)
including rev. surplus



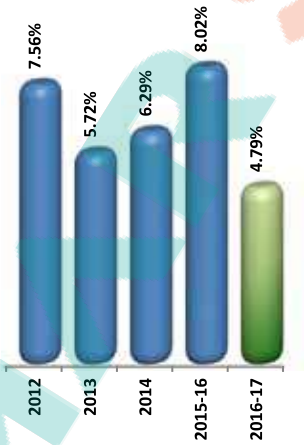
NAV PER SHARE
(BDT)
excluding Rev. Surplus



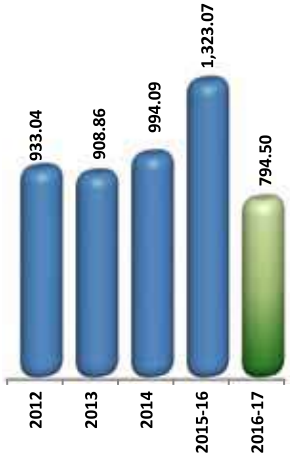
SHAREHOLDERS' EQUITY
Million BDT



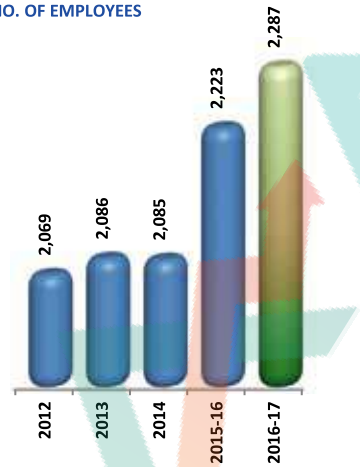
RETURN ON EQUITY



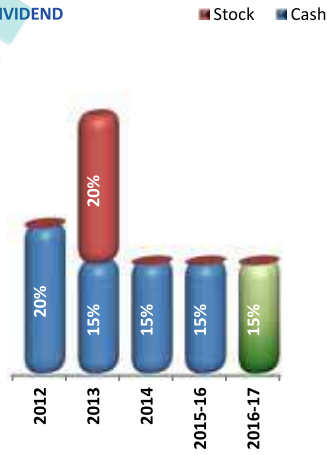
NET PROFIT AFTER TAX
Million BDT



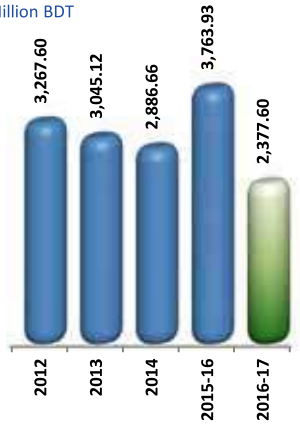
NO. OF EMPLOYEES



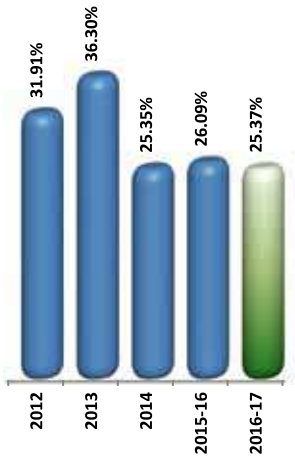
DIVIDEND



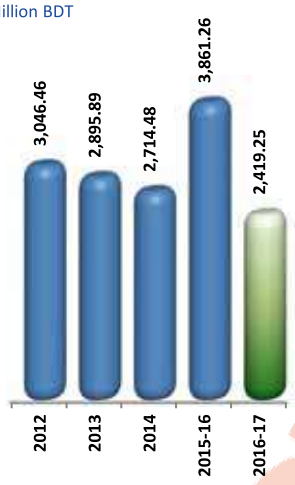
EBITDA
Million BDT



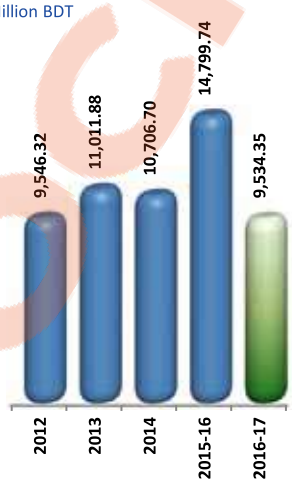
GROSS PROFIT MARGIN



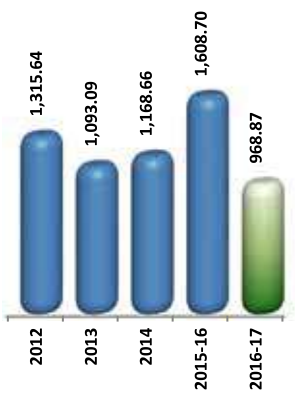
GROSS PROFIT
Million BDT



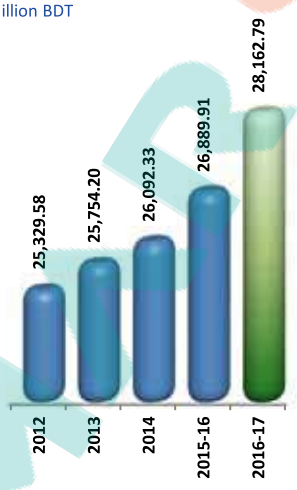
NET REVENUE
Million BDT



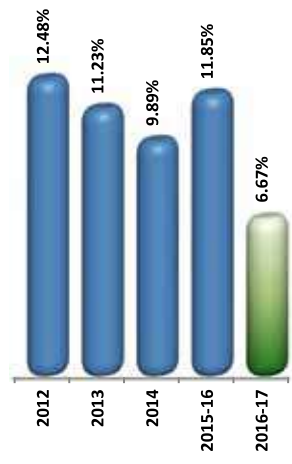
OPERATING PROFIT
Million BDT



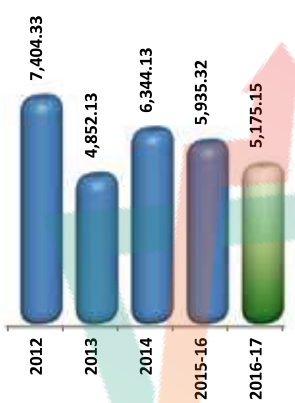
TOTAL ASSETS
Million BDT



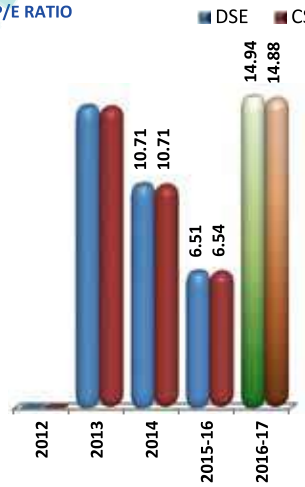
ROCE



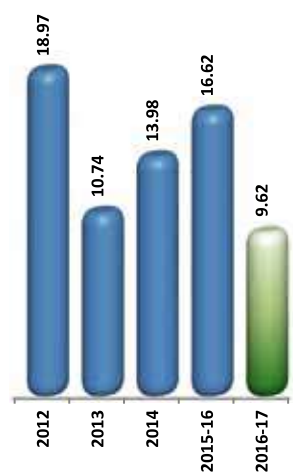
NON-CURRENT LIABILITIES
Million BDT



P/E RATIO



NOCF PER SHARE



CONTRIBUTION TO NATIONAL EXCHEQUER

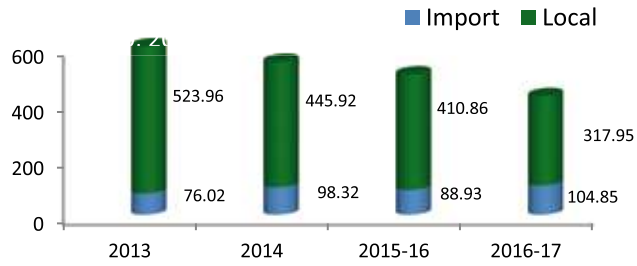
Since its inception OPL has been trying to play a significant role in the contribution to the national economy. The collective contribution to the National Exchequer from being listed with Stock Exchanges in 2013 up to June 2017 was BDT 2,066.79 million of which, BDT 422.80 million was made in FY 2016-17 alone. Out of total BDT 422.80 million, BDT 96.76 million & BDT 216.32 million were made on account of direct tax (income tax) charged against its own income and sales VAT respectively to Government treasury, BDT 104.85 million on account of Import Vat, Tax, Duty, SD on raw materials, packing materials, spare parts, Machineries & other assets and BDT 2.78 million as indirect payments on account of employees income taxes against salary paid and deducted at source.

This represents an increase in the import stage contribution and a decrease in the local stage from the last period but we hope to increase it in the upcoming years. In order to be a valuable part of the Government's effort to establish a sustainable level of tax contribution the Company will continue its support to Government by dint of increasing its contribution to National Exchequer in upcoming years.

Year-wise contribution to exchequer

Million BDT

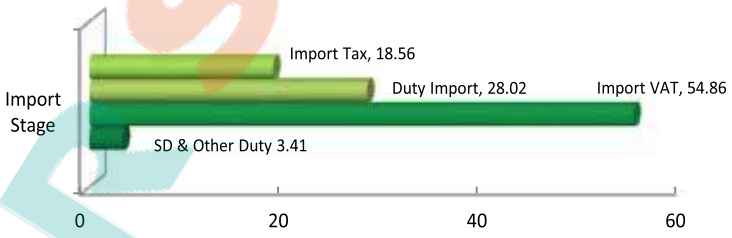
As of June 30, 2017



Import Stage-wise contribution to exchequer

Million BDT

As of June 30, 2017

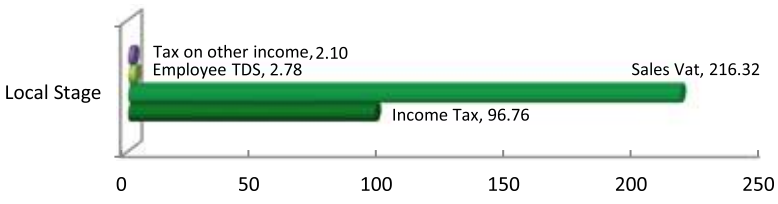


BDT 422.80 million has been deposited to Government treasury during the reporting year.

Local Stage-wise contribution to exchequer

Million BDT

As of June 30, 2017



Orion Pharma provides all its employees with regular lunch and other snacks available in their very own canteen. All food items are cooked by the company's own cook and the ingredients are bought and food items are prepared on a daily basis which maintains the food quality and its freshness. Apart from lunch, employees can also enjoy coffee, ice cream and snacks during the office hours for some refreshments and also spend quality time with the co workers in the canteen. Therefore, employees can stay relieved from the hassle of bringing their own lunch especially those who stay far away from office and also their daily spending required for lunch is minimized with this lunch facility.



LAUNCHING

NEW PRODUCTS



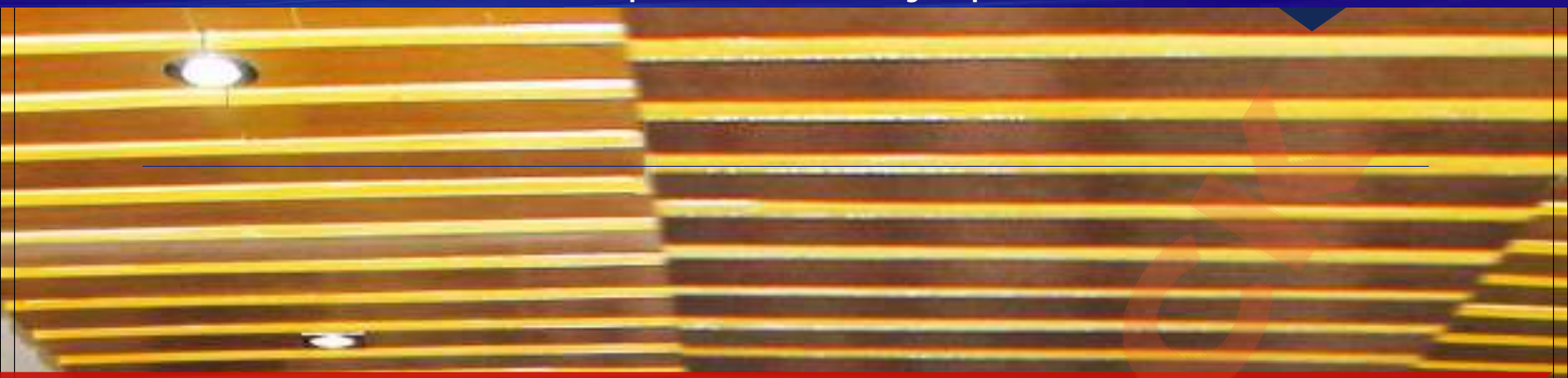
Trade Name : Axofyl
Therapeutic Class : Xanthine Derivatives (Bronchodilator)
Generic : Doxofylline
Presentation : 200 mg & 400 mg Tablet
Indication : Asthma, COPD, Bronchospasm



Trade Name : Maximox
Therapeutic Class : Fluoroquinolone
Generic : Moxifloxacin
Presentation : 400 mg Tablet
Indication : Acute Exacerbation of Chronic Bronchitis, Acute Bacterial Sinusitis, Complicated SSTI, Uncomplicated SSTI, Complicated Intra-abdominal Infection, Diabetic Foot Infection



Trade Name : Palostar
Therapeutic Class : Antiemetic
Generic : Palonosetron
Presentation : 0.5 mg Tablet and 0.075 mg/ 1.5 ml Injection
Indication : Post-operative Nausea and Vomiting, Chemotherapy-Induced Nausea and Vomiting



OPL is aware about social welfare thus every year it organizes welfare program to help those who are underpriviledged. This year during the month of Ramadan the company took the initiative to provide the children from orphanages with shoes and clothes for Eid Festival . About 60 orphans from Uttara and Jatrabari orphanages were provided with clothes and shoes to make their Eid more joyous and also to make them feel equally precious as all the other children who are privileged in the society. OPL will continue to perform corporate social responsibilities to eliminate the social inequality and help the underpriviledged group in the society.



MESSAGE

FROM THE CHIRMAN

Dear Fellow Stakeholders,

Assalamualaikum Wa Rahmatullah

I welcome you all to the 52nd Annual General Meeting (AGM) of Orion Pharma Limited. Our Company started its journey with the vision to become a world-class pharmaceutical company in the field of generic finished products, and we have already been able to establish ourselves as one of the most reliable brands in the country. It is my pleasure to present this year's integrated Annual Report to you all.

The Pharmaceutical Sector has experienced a robust growth in the last year and currently it is one of the most technologically advanced sectors in the country. According to a report of the IMS, the size of Bangladesh Pharmaceuticals market is approximately BDT 18,383 crore with an annual growth rate of about 29.23%. This proves that we have a huge scope of business in the upcoming days and we are hopeful of increasing our market share due to our business strategies.

My dear friends, I will now take you all over the financial details of your beloved Company. It can be mentioned here that last year the reporting period consisted of for 18 (eighteen) months i.e. from January 2015 to June 2016, in order to comply with the provisions of Section 9 of the Financial Act, 2015 as per Directive no. SEC/SRMIC/2011/1240/445 dated 27th April 2016 issued by BSEC. This year the financial statements have been prepared for 12 (twelve) months i.e. from July 2016 to June 2017. During the financial year 2016-17, your Company attained a Consolidated Net Revenue of BDT 9,534.35 million as against BDT 14,799.74 million in the reporting year 2015-16. Consolidated Gross Profit stood at BDT 2,419.25 million and the Consolidated Net Profit reached to BDT 794.50 million.

The Consolidated Earnings per Share (EPS) for the financial year 2016-17 is BDT 3.40 compared to previous reporting period's EPS of BDT 5.65. Taking into account the financial performance of the Company this financial year, your Board has recommended 15% cash dividend to be appropriated from the profits to the shareholders for the financial year 2016-17.

Dear stakeholders, OPL always tries to ensure the fair practice of excellent corporate governance and works its best to establish an appropriate internal control system and risk management procedures to make sure of the accountability, fairness and transparency at every level of its operation. We also work to be fully compliant with all Government regulations and strictly abide by all Compliance issues. Your Company is aware about its responsibilities towards both the nation and the Government. During the financial year 2016-17 your Company has contributed BDT 422.80 million to the Government Treasury in the form of VAT, Tax, Import Duty, Supplementary Duty and this contribution represents 21.18% of net sales revenue. We expect this contribution to grow as your Company expands and matures over the next few years.

Dear fellow stakeholders, we believe in continuously improving our operations and innovating new products to satisfy the customer base. This year we have introduced Axofyl, Maximox & Palostar and are optimistic that it will prove to be a good source of revenue for your Company in the future.

My friends, you all know that Orion Pharma Limited took its first step towards providing healthcare facilities globally a long time back. We have a huge marketing network outside Bangladesh which contributes significant foreign currency revenue in our Company. You all will be very happy to know that from this financial year we have also started exporting to Bhutan & Sudan, and we are very optimistic that this will raise our revenue income further in the next years.

Dear friends, all of you will be happy to know that Orion Pharma Ltd. was awarded the 2nd position for the "Best Presented Annual Report – 2016" by The Institute of Chartered Accountants of Bangladesh (ICAB) under 'Category 4: Manufacturing Sector.' We have received this award for the second time this year. ICAB decides on the winners considering factors such as presentation of annual reports and compliance of good corporate governance. It is a matter of great pride and pleasure to know that our Company was recognized by them as one of the best ones in these criteria.

I am very proud to say that OPL is currently working towards implementing the biggest state of-the-art Pharmaceutical Complex (Pharma Park) of the country at Narayonganj. We are working dedicatedly to ensure that this Pharma Park is going to be the finest and most comprehensive pharmaceutical plant in Bangladesh, and it will help us to increase our production capacity and fulfill more consumer demand of our medicines and drugs. We expect the general production facility to be ready and go into operation by the 1st quarter of 2018.

Dear friends, we all live and work in a single society. Thus we cannot ignore environmental issues and only concentrate on making money. I am very happy to inform you all that this year we took a new initiative whereby we planted many fruit trees at the plant of our upcoming Pharma Park. We are always focused on ways to minimize any negative impacts on the environment through our operations.

I would now like to take the opportunity to thank you all, my dear friends, for your never ending support and faith upon us. Your valued suggestions, advices and continuous supports are the driving forces behind the growth and development of this business. I would also like to sincerely appreciate all our valued stakeholders including business partners, customers, bankers, suppliers, government agencies, regulatory authorities and everyone with whom the Company interacted with in conducting its business. All our employees have done an admirable job in contributing to our success, and on behalf of all the stakeholders, I would like to applaud all our employees for doing such a commendable job. I wish and pray for the continued success of the Company in the future.

Thank you,

Sd/-

Mohammad Obaidul Karim
Chairman

চেয়ারম্যান-এর প্রতিবেদন

প্রিয় সম্মানিত স্টেকহোল্ডারবৃন্দ,

আসসালামুয়ালাইকুম ওয়াহ্ রাহ্মতল্লাহ

ওরিয়ন ফার্মা লিমিটেডের ৫২তম বার্ষিক সাধারণ সভায় (এজিএম) আপনাদেরকে স্বাগত জানাচ্ছি। আমাদের কোম্পানি ঔষধসামগ্রী প্রস্তুত করার ক্ষেত্রে একটি বিশ্বমানের ফার্মাসিউটিক্যাল কোম্পানি হওয়ার লক্ষ্য নিয়ে তার যাত্রা শুরু করেছিল এবং আমরা ইতোমধ্যে দেশে সবচেয়ে নির্ভরযোগ্য ব্র্যান্ডের একটি হিসাবে নিজেদেরকে প্রতিষ্ঠিত করতে সক্ষম হয়েছি । আমি আনন্দের সাথে আপনাদের সকলের সামনে এই বছরের একীকৃত বার্ষিক প্রতিবেদন উপস্থাপন করছি।

ফার্মাসিউটিক্যাল প্রযুক্তিগত দিক থেকে বিগত বছরে শক্তিশালী প্রবৃদ্ধি অর্জন করেছে এবং বর্তমানে এটি দেশের একটি অন্যতম অগ্রগামী খাত। আইএমএসের একটি প্রতিবেদন অনুযায়ী, বাংলাদেশ ফার্মাসিউটিক্যালস মার্কেটের আকার প্রায় ১৮,৩৮৩ কোটি টাকা যার বার্ষিক বৃদ্ধির হার ২৯.২৩%। এটি প্রমাণ করে যে আসন্ন দিনগুলিতে আমাদের ব্যবসায়ের একটি বিশাল সুযোগ রয়েছে এবং কৌশলগত দিক দিয়ে আমরা আমাদের ব্যবসার বাজারের অংশ বাড়ানোর বিষয়ে আশাবাদী।

আমার বন্ধুগণ, আমি এখন আপনাদের সামনে আপনাদের কোম্পানির আর্থিক বিবরণী পেশ করব। এখানে উল্লেখ করা যেতে পারে যে, ২০১৫ সালের আর্থিক আইনের অনুচ্ছেদ ৯ এর বিধানাবলী মেনে চলার জন্য বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের প্রকাশিত নির্দেশিকা নং এসইসি/এসআরএমআইসি/২০১১/১২৪০/৪৪৫ তারিখ ২৭শে এপ্রিল,২০১৬ অনুযায়ী গত বছরের রিপোর্টিং কাল ১৮ (আঠার) মাস অর্থাৎ জানুয়ারী ২০১৫ থেকে জুন ২০১৬ পর্যন্ত ছিল। এই বছর আর্থিক প্রতিবেদন ১২ (বারো) মাস অর্থাৎ জুলাই ২০১৬ থেকে জুন ২০১৭ পর্যন্ত প্রস্তুত করা হয়েছে। আর্থিক বছরের ২০১৬-১৭, রিপোর্ট অনুযায়ী আপনাদের কোম্পানির একত্রীকৃত নীট বিক্রয় টাকা-৯,৫৩৪.৩৫ মিলিয়নের দাঁড়িয়েছে যা ২০১৫-২০১৬ সালে ছিল টাকা-১৪,৭৯৯.৭৪ মিলিয়ন। একত্রীকৃত মোট মুনাফা টাকা-২,৪১৯.২৫ মিলিয়নে দাঁড়িয়েছে এবং একত্রীকৃত নীট লাভের পরিমাণ টাকা-৭৯৪.৫০ মিলিয়নে পৌঁছেছে।

২০১৬-১৭ অর্থবছরের জন্য একত্রীকৃত শেয়ার প্রতি আয় (ইপিএস) হল টাকা- ৩.৪০ যা আগের বছর ছিল ৫.৬৫ টাকা। এই আর্থিক বছরে কোম্পানির আর্থিক কার্যকারিতা বিবেচনা করে, আপনাদের বোর্ড ২০১৬-১৭ অর্থবছরের মুনাফা থেকে শেয়ারহোল্ডারদের জন্য ১৫% নগদ লভ্যাংশের সুপারিশ করেছে।

প্রিয় স্টেকহোল্ডারবৃন্দ, ওরিয়ন ফার্মা লিমিটেড সর্বদাই চমৎকার কর্পোরেট গভর্নেন্সের ন্যায্য অনুশীলন নিশ্চিত করার চেষ্টা করে এবং কার্য সম্পাদনের প্রতিটি পর্যায়ে জবাবদিহিতা, ন্যায্যতা ও স্বচ্ছতা নিশ্চিত করার জন্য উপযুক্ত অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা এবং ঝুঁকি ব্যবস্থাপনা পদ্ধতি প্রতিষ্ঠার জন্য তার সর্বোত্তম চেষ্টা করে। আমরা সমস্ত সরকারী বিধিবিধান সম্পূর্ণরূপে মেনে কাজ করি এবং সমস্ত কম্প্লায়েন্স ইস্যুগুলো কঠোরভাবে পালন করার জন্য কাজ করি। আপনার কোম্পানি জাতি ও সরকার উভয়ের প্রতি তার দায়িত্ব সম্পর্কে সচেতন। ২০১৬-১৭ অর্থবছরে আপনার কোম্পানী ভ্যাট, ট্যাক্স, ইমপোর্ট ডিউটি এবং সাপ্লিমেন্টারি ডিউটির মাধ্যমে সরকারি ট্রেজারিতে টাকা-৪২২.৮০ মিলিয়ন জমা দিয়েছে যা কোম্পানির নীট বিক্রয়ের ২১.১৮%। আমরা আশাকরি আগামী কয়েক বছরের মধ্যে আপনাদের কোম্পানি আরও প্রসারিত এবং পরিণত হওয়ার পাশাপাশি এই অবদান আরও বৃদ্ধি পাবে।

সম্মানিত স্টেকহোল্ডারবৃন্দ, আমরা আমাদের কর্মকাণ্ডকে ক্রমাগতভাবে উন্নত করতে এবং গ্রাহক সন্তুষ্ট অর্জন করার জন্য নতুন নতুন পণ্য উ ভাবনে বিশ্বাস করি। এই বছর আমরা এক্সোফাইল, ম্যাক্সিমক্স এবং পালোস্টার বাজারজাত করেছি এবং আশাবাদী যে এটি ভবিষ্যতে আপনার কোম্পানির আয়ের একটি ভাল উৎস হিসেবে প্রমাণিত হবে।

আমার বন্ধুগণ, আপনারা সকলে জানেন যে ওরিয়ন ফার্মা দীর্ঘমেয়াদে বিশ্বব্যাপী স্বাস্থ্যসেবা সুবিধা প্রদানের জন্য একটি বিশাল বিপণন নেটওয়ার্ক যা আমাদের কোম্পানির উল্লেখযোগ্য বৈদেশিক মুদ্রা অর্জনে অবদান রাখে। আপনারা সকলে জেনে খুব খুশি হবেন যে এই আর্থিক বছর থেকে আমরা ভুটান ও সুদানে রপ্তানি শুরু করেছি এবং আমরা খুব আশাবাদী যে এর ফলে আগামী বছরগুলোতে আমাদের আয় আরও বাড়বে।

প্রিয় বন্ধুগণ, আপনারা সবাই জেনে খুশি হবেন যে,ওরিয়ন ফার্মা লিমিটেড Institute of Chartered Accountants of Bangladesh (ICAB) প্রদত্ত "Catagory-4: Manufacturing Sector" - এ "Best Presented Annual Report-2016" এর দ্বিতীয় অবস্থানে ভূষিত হয়েছে। আমরা এই পুরস্কারটি দ্বিতীয় বারের মত অর্জন করেছি। ICAB কোম্পানির বার্ষিক রিপোর্টে প্রদর্শিত বিষয়াদির উপস্থাপনা এবং ভাল কর্পোরেট গভর্নেন্সের বিষয়গুলি বিবেচনা করে বিজয়ী নির্বাচন করে। ইহা আমাদের জন্য খুব গর্ব এবং আনন্দের একটি বিষয় যে তাদের মানদণ্ডে সেরা কোম্পানি হিসাবে আমাদের কোম্পানি স্বীকৃতি পেয়েছে।

আমি খুব গর্ববোধ করছি যে ওরিয়ন ফার্মা বর্তমানে নারায়নগঞ্জে দেশের বৃহত্তম স্টেট-অব-দ্য-আর্ট ফার্মাসিউটিক্যাল কমপ্লেক্স (ফার্মা পার্ক) বাস্তবায়নের কাজ চালিয়ে যাচ্ছে। আমদের এই ফার্মা পার্ক বাংলাদেশে সেরা এবং সবচেয়ে ব্যাপক ফার্মাসিউটিক্যাল প্ল্যান্ট হতে যাচ্ছে তা নিশ্চিত করার জন্য আমরা নিখুঁতভাবে কাজ করছি, এবং এটি আমাদের উৎপাদন ক্ষমতা বৃদ্ধি এবং আরও বেশি ঔষুধসাগ্রীর ভোক্তাদের চাহিদা পূরণে সাহায্য করবে। আমরা আশাকরি ২০১৮ সালের প্রথম

ত্রৈমাসিকের মধ্যে সাধারণ উৎপাদন সুবিধা প্রস্তুত এবং অপারেশন শুরু হবে।

প্রিয় বন্ধুগণ, আমরা সবাই একই সমাজে বাস করি এবং কাজ করি। সুতরাং আমরা পরিবেশগত বিষয়গুলি উপেক্ষা করে শুধুমাত্র অর্থ উপার্জনের উপর মনোনিবেশ করতে পারি না। আমি আপনাদের সবাইকে জানাতে পেরে খুশি যে এই বছর আমরা একটি নতুন উদ্যোগ গ্রহণ করেছি যার মাধ্যমে আমরা আমাদের আসন্ন ফার্মা পার্কে অনেক ফলের গাছ লাগিয়েছি। আমরা সবসময় দৃষ্টি রাখি যাতে আমাদের অপারেশনের মাধ্যমে পরিবেশের উপর কোন নেতিবাচক প্রভাব যেন না পড়ে।

আপনাদের অশেষ সমর্থন এবং আমাদের উপর বিশ্বাস রাখার জন্য আমি আপনাদের সকলকে ধন্যবাদ জানাই। আপনাদের মূল্যবান পরামর্শ, উপদেশ এবং ক্রমাগত সমর্থন এই ব্যবসার বৃদ্ধি এবং উনয়নের মূল চালিকাশক্তি। আমি আমদের সকল ব্যবসায়িক অংশীদার, গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থা, নিয়ন্ত্রক কর্তৃপক্ষ এবং সকল মূল্যবান অংশীদারদের আমাদের সাথে ব্যবসায়িক কার্যক্রমে পরিচালনার জন্য আন্তরিকভাবে অভিন্দন জানাই। আমাদের সকল কর্মকর্তা/ কর্মচারী আমাদের সাফল্যের জন্য প্রশংসনীয় অবদান রেখেছেন এবং আমি সকল স্টেকহোল্ডারের পক্ষ থেকে এই ধরনের প্রশংসনীয় কাজ করার জন্য আমাদের সকল কর্মকর্তা/কর্মচারীদের প্রশংসা করছি। আমি কোম্পানির ভবিষ্যত ক্রমাগত সাফল্য কামনা করি এবং প্রার্থনা করি।

ধন্যবাদ,

স্বাঃ / -
মোহাম্মদ ওবায়দুল করিম
চেয়ারম্যান

MESSAGE

FROM THE CHIEF EXECUTIVE OFFICER

Company Performance:

According to a research, Bangladesh's pharmaceutical sector can grow at 15 percent for the next five years riding on the expanded domestic market as well as new export frontiers. At present this industry meets 98 percent of the local demand and exports to more than 125 countries. As Bangladesh advances into the league of middle income countries, drug purchasing power is likely to rise with sustained growth in income. Thus it can be concluded that the pharmaceutical industry is a very lucrative one.

I would now like to take you all over the financial performance of Orion Pharma Limited. During the financial year 2016-17, we attained a Consolidated Net Revenue of BDT 9,534.35 million (in 12 months) as against BDT 14,799.74 million in the reporting year 2015-16 (in 18 months). It can be mentioned here that in the financial year 2015-16 the Consolidated Net Revenue was 9,297.29 million (in 12 months). Therefore, if we consider and compare sales figures for 12 months, we can see that in this financial year 2016-17, there was an increase of 2.55% in sales compared to last financial year 2015-16. Dear stakeholders, as we mentioned in the last Annual Report, a decline in the sales revenue realized by our subsidiaries has had an impact on the consolidated net revenue. The contracts of our two subsidiaries, Orion Power Meghnaghat Limited (OPML) & Dutch Bangla Power and Associates Limited (DBPAL) with Bangladesh Power Development Board (BPDB) were renewed last year for another five years. However, the renewed price at which now BPDP purchases electricity from these plants has decreased. As a result it had a negative impact on our consolidated sales. The Consolidated Gross Profit this financial year stood at BDT 2,419.25 million compared to 1,799.16 million in the financial year 2015-16 and the Consolidated Net Profit this financial year reached to BDT 794.50 million compared to 748.24 million in the last financial year 2015-16.

In the financial year 2016-17, the Company has introduced new medicines such as 'Axofyl' in the Therapeutic Class - Xanthine Derivatives (Bronchodilator), 'Maximox' in the Therapeutic Class - Fluoroquinolone & 'Palostar' in the Therapeutic Class - Antiemetic. We are highly optimistic that these new additions along with the existing medicines will prove to be a good source of revenue the Company.

OPL has its overseas marketing network in Myanmar, Nepal, Armenia, Sri Lanka, Lesotho, Cambodia, Afghanistan and Somalia. This year we started exporting to Bhutan & Sudan resulting in a total of ten overseas marketing networks.

Our Company has entered into a new loan agreement with BHF-Bank Aktiengesellshaft, Frankfurt am Main, Federal Republic of Germany to borrow up to US$ 34.281 million to partially finance the purchase of new plant and machinery to expand our production facilities. This is a huge achievement for us in terms of arranging financing facilities at the lowest cost possible.

Future outlook:

We are dedicatedly working towards implementing the biggest state of-the-art Pharmaceutical Complex (Pharma Park) of the country at Narayonganj. While introducing products from the new plant, innovation in molecule and dosage form technology is going to be emphasized in every step. With the completion of the new plant, the installed production capacity will be increased significantly in order to meet the untapped demand of our medicines. At present we are not able to fulfill customer demand due to the limitation of our existing production capacity. We look forward to a better future with the completion of the Pharma Park.

Orion Pharma Limited is committed to deliver top quality essential general drugs. The Company was awarded ISO 9001:2008 Quality Management System in 2009. At present we are dedicatedly working for soon achieving the latest ISO 9001:2015 Standard which is currently being acknowledged and implemented globally.

Thank you,

Sd/-

Salman Obaidul Karim
Chief Executive Officer



2016-17 DIRECTORS' REPORT

to the shareholders for the period ended on June 30, 2017

Dear Stakeholders,

The directors present their report, together with the Audited financial statements, on the consolidated entity consisting of Orion Pharma Limited and the entities it controlled at the end of, or during the financial year ended on 30 June, 2017.

INDUSTRY OUTLOOK

The pharmaceutical industry is one of the most dynamic and potential sectors in Bangladesh. It is technologically one of the most developed manufacturing industries and currently contributes about one percent to total GDP with great potential for expansion. Total domestic healthcare expenditures are currently approximately three percent of GDP, offering substantial opportunity for domestic pharmaceutical sales in addition to exports.

Local Market: The industry meets 98% of the demand for medication in the country while remaining 2% is imported. These very meager imported items are vaccines, insulin etc. About 278 pharmaceutical companies are now operating in the country, which are manufacturing about 1,400 generics in more than 26,948 presentations.

According to a report of the IMS, the size of Bangladesh Pharmaceuticals market is approximately BDT 18,383 crore with an annual growth rate of about 29.23%.

Export Market: Our country's pharmaceutical industry exports about 500 pharmaceutical items covering all major therapeutic classes and dosage forms, to about 125 countries. Recently Pharma sector is receiving a lot of attention for its great potential to become a major exporter because of the decision, taken by the WTO-TRIPS Council a year ago, to grant LDCs including Bangladesh an exemption from obligations to implement or apply patents as well as data protection for pharmaceutical products until at least January 1, 2033. About 20 to 25 local manufacturers are already exporting their products using the LDC privilege.

It is obvious that there are opportunities for the pharmaceutical companies to flourish. They have got a waiver from TRIPs until 2033 by using which they can increase their annual sales both in domestic and international markets.

Tk. 18,383 crore market with 29.23% annual growth rate

98% of local demand is fulfilled by local pharmaceutical industry

1,400 generics in more than 26,948 presentations

Export to 125 countries

Exemption from the obligations to implement patents and data protection until 2033

20-25 manufacturers are exporting using LDC privilege

Highlights on Financial Results

This page provides a high level snapshot of some of our key performance indicators (on consolidated figure) regarding our financial performance of the FY 2016-17 along with the preceding financial period:

Particulars	2016-17 (12 months)	2015-16 (18 months)	2015-16 (12 months)
Net Turnover (BDT)	9,534,345,195	14,799,743,435	9,297,290,878
Cost of Sales (BDT)	(7,115,095,261)	(10,938,482,110)	(7,498,131,177)
Gross Profit (BDT)	2,419,249,934	3,861,261,325	1,799,159,701
Net Profit (BT) (BDT)	959,577,869	1,593,860,039	965,483,380
Net Profit (AT) (BDT)	794,495,811	1,323,072,165	748,236,021
Number of Shares	234,000,000	234,000,000	234,000,000
Basic Earnings per Share	3.40	5.65	3.20

Segment Wise or Product Wise Performance

Orion Pharma Limited itself is operating its business in a single economic segment i.e. the pharmaceutical industry of Bangladesh within and outside the territory of Bangladesh. And the company is the parent Company of another two power generation Companies i.e. Orion Power Meghnaghat Limited and Dutch Bangla Power & Associates Limited. These two revenue generating subsidiary companies have been in operation in the power sector of our country since 2011.

The breakup of consolidated sales figure (pharmaceutical and power sector) and sales figure of Orion Pharma Limited into Local and Export Sales are as described here.

a) Sector wise Sales Breakup:

Value in BDT

Year	Pharmaceutical	Power	Total Revenue
2016-17 (12 months)	1,996,306,215	7,538,038,980	9,534,345,195
2015-16 (18 months)	2,449,956,082	12,349,787,353	14,799,743,435

b) Local and Export Pharma Sales Breakup:

Value in BDT

Year	Local	Export	Total Revenue
2016-17 (12 months)	1,886,615,036	109,691,179	1,996,306,215
2015-16 (18 months)	2,342,904,106	107,051,976	2,449,956,082

Pharma Cost of Goods Sold and Profit Margin

The cost of goods sold compared to net turnover has remained almost same and reached to 44.34% from 44.43% over last year.

The breakup of cost of goods sold along with the percentage of each element of COGS in terms of total COGS are as described here.

COGS	Value in BDT		% of Total COGS	
	2016-17	2015-16	2016-17	2015-16
Raw Materials	353,911,894	563,866,059	39.98	51.80
Packing Materials	175,884,340	258,334,631	19.87	23.73
Factory Overhead	299,084,054	300,884,832	33.79	27.64
Manufacturing Cost	**828,880,288**	**1,123,085,522**	**93.64**	**103.18**
WIP (Opening-Closing)	977,148	2,356,804	0.11	0.22
FG (Opening-Closing)	66,583,719	(23,610,459)	7.52	(2.17)
Less: Cost of Physician Sample	(11,286,652)	(13,315,637)	(1.00)	(1.22)
Cost of Goods Sold	**885,154,503**	**1,088,516,230**	**100.00**	**100.00**

Key Performance Indicators (KPIs)

Up 2.55%

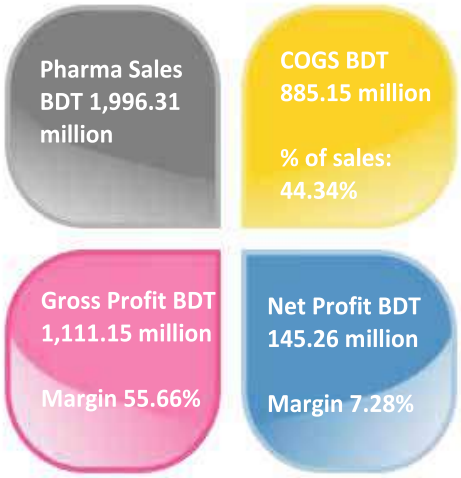
Revenue: Increased to BDT 9,534.35 million during financial year from BDT 9,297.29 million achieved in prior year

Down 0.61%

Net Profit before tax: Decreased to BDT 959.58 million during financial year from 965.48 million achieved in prior year

Up 6.18%

Profit after Tax: Increased to BDT 794.50 million during financial year from BDT 748.24 million achieved in prior year



ADDITIONAL INVESTMENTS

The outflow of fund made for the acquisition of fixed assets of Orion Pharma Limited during the reporting period is as follows:

Value in BDT

Additional Investment	2016-17	2015-16
Factory and Office Building	34,176,697	2,094,150
Plant and Machinery	170,115,723	439,070,198
Furniture and Fixtures	10,399,087	3,141,914
Office Equipment	26,677,011	8,688,008
Vehicles	4,763,500	6,724,368
Laboratory Equipments	71,750,570	-
Total	**317,882,589**	**460,863,109**

RISKS AND CONCERNS

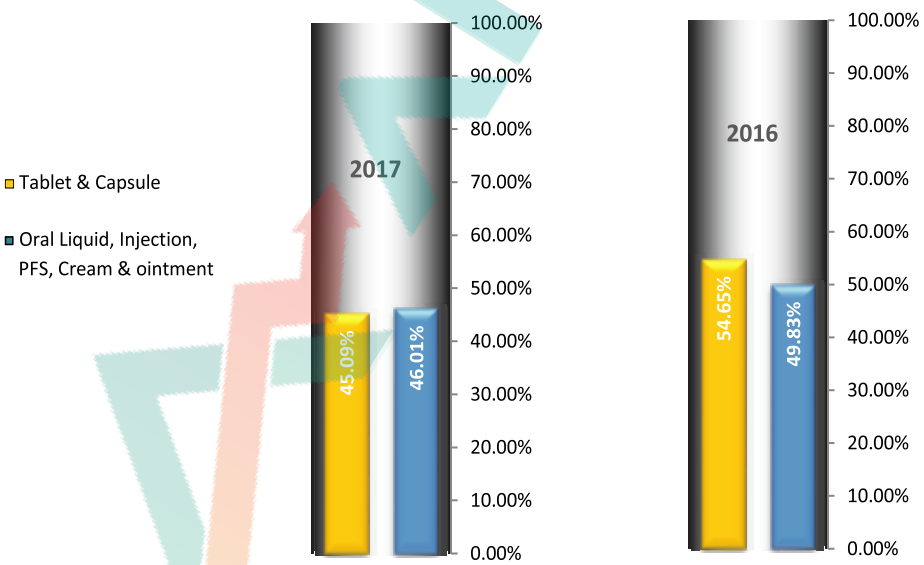
The Company is always aware of that business is subject to variety of risks and uncertainties e.g. Industry Risks, Regulatory Risks, Market Risk, Operational Risk, Legal Risk, Interest Rate Risk, Exchange Rate Risk and potential changes in Global or National policies etc.

In this respect, Orion Pharma Limited has well defined it's risk management policies and introduced periodic monitoring system that act as an effective tool in mitigating various risks to which our businesses are exposed to in the course of its day-to-day operations as well as in its strategic actions.

Moreover a detailed discussion on the risk management systems of OPL is mentioned under Governance chapter.

UTILIZATION OF PRODUCTION CAPACITY

Item	Production Capacity		Actual Production	
	2017	2016	2017	2016
Tablet & Capsule	903.90	1,287.03	407.53	703.32
Oral Liquid, Injection, PFS, Cream & Ointment	27.08	44.75	12.46	22.30



Product Status

The status of products of Orion Pharma Limited available at the beginning of the FY, discarded and new products added during the FY and the closing status products at the end of FY have been shown here under seven product categories:

Sl	Product Category	Status as on 01.07.2016	Added	Discarded	Total as on 30.06.2017
1	Tablet	106	4	1	109
2	Capsule	28	0	0	28
3	Oral Liquid	40	0	2	40
4	Injection	33	1	0	32
5	Powder for Suspension	18	0	0	18
6	Cream	4	0	0	4
7	Ointment	1	0	0	1
	Total	**230**	**5**	**3**	**232**

SUBSIDIARY OPERATION

- **Orion Power Meghnaghat Limited (OPML):**

During the financial year ended on June 30, 2017, Orion Power Meghnaghat Limited earns total revenue of BDT 3,493.76 million broken up into BDT 1,234.05 million as Reference Rental Price, BDT 115.00 million as Reference Energy Price (Variable O&M), BDT 2,144.68 million as Sales revenue from HFO OOSL. The total revenue is derived after adding foreign exchange gain of BDT 0.03 million. Its net profit is BDT 467.04 million during the period under report. Since the Company is not listed, its market price cannot be determined. The Earnings and the NAV as on 30 June, 2017 stands at BDT 4.67 and BDT 34.16 per share respectively.

- **Dutch Bangla Power & Associates Limited (DBPAL):**

The turnover of Dutch Bangla Power & Associates Limited is BDT 4,044.27 million during the financial period ended on June 30, 2017 broken up into BDT 1,244.67 million as Reference Rental Price, BDT 141.83 million as Reference Energy Price (Variable O&M), BDT 2,652.81 million as Sales revenue from HFO OOSL and BDT 4.99 million as fuel payment received from BPDB.

The total revenue is derived after deduction of BDT 0.03 million as foreign exchange loss. The Company has made a net profit of BDT 306.79 million and consequently EPS stands at BDT 30.68. It is not a listed company and the NAV is BDT 240.00 per shares as on 30 June, 2017.



Dutch Bangla Power and Associates Limited

According to the agreement signed between Orion Power Meghnaghat Limited & BPDB and Dutch Bangla Power & Associates Limited & BPDB, the Government purchased the power for a period of 5 years commencing from May 08, 2011 and July 21, 2011 respectively. The agreement is already expired and the government decided to extend the agreements with these two power plants. The power Division forwarded the agreement extension proposal to the cabinet committee on public purchase. Under the proposal, the committee approved the agreement extension proposal for another five years through the execution of an AMENDMENT TO THE CONTRACT FOR SUPPLY OF POWER ON RENTAL BASIS by and between Bangladesh Power Development Board and our power plants.

Reason of Any Extra-Ordinary Gain or Loss

There is no extra-ordinary gain or loss in the financial statements prepared for the financial period 2015-16 and for the FY ended on June 30, 2017.

Disclosure on Related Party Transaction

The Directors and other key management personnel are very much cautious to avoid any conflicts of interest inconformity with the prevailing rules and regulations. Related party transactions, when undertaken in the normal course of business, are carried out on an arm's length basis without any special benefit to the related party.

All such transactions have been approved unanimously by the other Directors of the Company. A statement of all related party transactions containing the name of related parties, nature of transactions and total transaction values is mentioned under notes 3.15 and 35 of the audited financial statements as per BAS 24: Related Party Disclosure.

Orion Power Meghnaghat Limited



Utilization of Proceeds From Public Issues, Right Shares and/or Through Any Other Instrument

Initial Public Offering (IPO) of Orion Pharma Limited was made in 2013 and it mobilized a fund of BDT 2.4 billion with the allocation of 40.00 million shares. The main purpose of raising this fund was to construct an expansion project of Orion Pharma Limited named as Pharma Park at Sumilpara, Siddhirganj, Narayonganj in terms of the expansion of existing production capacity as well as the addition of new products line.

However, the fund raised thereby has been being utilized for the said Pharma Park and reported accordingly to the regulators about the status of the fund utilization on a regular basis. No other issue of any instrument including right share was made during the year.

Explanation if Financial Results Deteriorate After The Company Goes For IPO, RPO, Right Offer, Direct Listing

Orion Pharma Limited went for IPO in 2013 and after that the company did not raise any fund by any sort of offerings upto June 2017. Moreover, the financial results have improved during the year under review. Therefore, no explanation is required in this connection.

Explanation About Significant Variance Between Quarterly and Annual Financial Statements

No significant variations have occurred between the quarterly and annual financial statements of the Company during the year.

Remuneration To Directors Including Independent Directors

The Directors of Orion Pharma Limited do not receive any other facilities or perquisites except remuneration which are reviewed annually and approved by the Board of Directors. Total remuneration expenses of the directors of Orion Pharma Limited have been disclosed as an expense under the head of General and Administrative Expenses in the note 28, 28a and also under note no 35.02 "related party transactions "of the financial statements.

Corporate and Financial Reporting

The Directors are pleased to conform the following:

- The Financial Statements of the Company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity.
- Books of Accounts have been maintained properly as required by the law.
- Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh.
- Internal Control System is sound in design and implemented and monitored effectively.
- Key operating and financial data of preceding five years have been included in the report.

Significant Deviation From The Operating Results of Last Year

During the FY, no significant variations occurred from the operating results of last financial period.

Going Concern

Subsequent to the conduction of appropriate enquiries and analysis of the significant operating and financials, the Board ensures that the Company has the ability to continue its operation for a foreseeable future. The Directors have a reasonable anticipation that the resources are adequate to continue its operation without any major interruptions. Therefore, all these analysis qualify the Company as a going concern and consequently the financial statements are also prepared on the basis of going concern assumption.

Shareholding Structure of The Company

The present shareholding structure of the Company is shown in the next chapter 'Annexure to the Directors' Report'.

Consolidation of Accounts

As per BSEC Regulations, the company has prepared consolidated financial statements following the codes of International Accounting Standards- 27 and 28 (IAS-27 and 28). For the preparation of consolidated statements of OPL, the audited financial statements of these two subsidiaries have been considered.

Contribution to National Economy

The total contribution to the National exchequer by Orion Pharma Limited as on June 30, 2017 was BDT 499.78 million in the form of Import Duty, Import VAT, Import Tax, Supplementary Duty and Other Duty on raw materials, packing materials, spare parts, Machineries & other assets, Tax on sale of makeable securities, VAT on sales and Income tax. The contribution constitutes 20.40% of the net revenue.

Environmental Consideration

Orion Pharma Limited is committed to provide a healthy and pollution free environment for its employees, customers, suppliers, and all other parties with whom it interacted to conduct its business. The Company follows GMP Regulations, WHO standards and Governmental rules and regulation in order to maintain a pollution free environment. A detailed report on this is set out on Page no 106-110.

Board Meetings Held

The number of Board Meetings and the attendance of the directors during the FY ended on June 30, 2017 were depicted here. In addition to the directors, the Chief Financial Officer (CFO) and the Company Secretary (CS) also regularly attended the meeting.

Appropriations of Profit

Considering the accounts of Orion Pharma Limited and also the interest of the Shareholders, the Board of Directors has proposed and recommended following appropriation of profit:

Declaration of Dividend

With the recommendation of Directors for a cash dividend of BDT 1.5 (15%) per share for the financial year 2016-17, the Company will have a payout of BDT 351,000,000 subject to approval of the Shareholders at the 52nd Annual General Meeting. The dividend will be applicable for the shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e. November 29, 2017.

Election of Directors

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of association, the Companies Act 1994 and other related legislations. In order to comply with the provision mentioned under Section 91(2) of the Company Act-1994 and Clause no. 126 to 130 of the Articles of association of the OPL, at least one third of the Directors shall retire from the office in the annual General Meeting.

Pursuant to the above, Mohammad Obaidul Karim, Chairman and Mrs. Zareen Karim, Director of the Company, retire by rotation from the Board, but being eligible, have offered themselves for re-election. Brief profiles of the Directors being proposed for re-appointment is set out in page no 22 & 24.

Appointment of Auditors

The Directors hereby report that as per the Companies Act 1994 and the Articles of Association of the Company the existing Auditor, M/S Ahmad & Akhtar, Chartered Accountants, who were appointed as auditors of the company in the last Annual General Meeting of the Company has carried out the audit for the reporting period ended on June 30, 2017, will retire at the conclusion of the ensuing Annual General Meeting.

However, being eligible they have offered themselves for re-appointment as auditors of the Company for the next financial year.

Based on their audit performance record and Audit & Risk Committee suggestions, the Board recommends M/S Ahmad & Akhtar, Chartered Accountants to be reappointed as the Statutory Auditor of the Company for the financial year 2017-18 subject to the approval of Shareholders in the ensuing AGM.

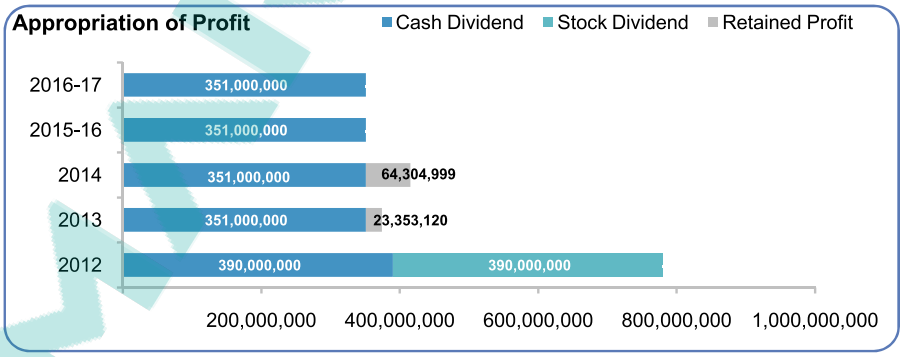
Status of Compliance

Orion Pharma recognizes that the sustainability of the company as well as the relationship and trust between the company and the stakeholders relies on the application and adherence to the standard corporate governance. It is the Company Secretary who is responsible and accountable to make sure the full compliance with all applicable rules and regulations and to assure the stakeholders that whatever OPL is doing is maximizing the value of the shareholders by safeguarding the interest of other stakeholders.

In accordance with the requirements stipulated in the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 and Notification No. SEC/CMRRCD/2006-158/147/Admin/48 dated July 21, 2013 issued under section 2CC of the Securities and Exchange Ordinance 1969, the detailed required disclosures are appended in the next chapter 'Annexure to the Directors' Report'. Along with this, we have appointed ARTISAN, Chartered Accountants, for issuance of Certificate on compliance of Corporate Governance Guidelines for Orion Pharma Limited for the reporting period.

Name	Status	Meeting held	Meeting Attended
Mr. Mohammad Obaidul Karim	Chairman	5	5
Mr. Salman Obaidul Karim	Managing Director	5	5
Mrs. Arzuda Karim	Director	5	5
Mrs. Zareen Karim	Director	5	5
Mrs. Hasina Begum	Director	5	5
Mr. Golam Mohiuddin Independent	Director	5	5
Lt. Col. Kamal Ahmed PSC (Retd)	Independent Director	5	5
Mr. Samaresh Banik	Chief Financial Officer	5	5
Mr. Md. Ferdous Jaman	Company Secretary	5	5

Net profit for the Period (2017)	145,256,528	
Add: Adjustment for depreciation on revaluation surplus	16,167,739	
Profit brought forward from previous year	703,486,638	
Profit available for distribution		864,910,905
Less: Appropriation proposed:		
Cash Dividend @ 15%		351,000,000
Transfer to retained earnings		**513,910,905**



Sustainability

Doing something extra to improve our society or environment is a way to show our true commitment to a cause. The main two corporate social responsibility programs include providing scholarship to medical students and providing our anti cancer medicine 'Enliven' at subsidized price to underprivileged blood cancer patients in Bangladesh under the program named 'Enliven Patients Assistance Program (EPAP)'. Under medical scholarship program, total 13 poor and meritorious students are receiving this fund facility as on June 30, 2017. In addition to this, the EPAP program, began in 2004, is serving around two hundred cancer patients so far. Keeping our CSR activities aside, we have also undertaken tree plantation from this year as we believe that climate and environment conservation is an

issue of great importance to us. We know that Bangladesh is one of the vulnerable countries in the world due to the negative impact of climate change and global warming. The undertaken tree plantation program is just a small step towards our commitment to help society to achieve sustainable balance in our natural capital.

Outlook

- **Industry Outlook**

One of the prospects of this industry is the market growth potential. The drivers behind market growth based on some health indicators are:

a) A gradual demographic shift, including increased life expectancy over the last two decades, has translated into increased health consciousness and needs, encouraging people to spend more on healthcare services.

b) The income base of the population has been growing over the last decade. Health expenditure per capita doubled during that same period, indicating people's willingness to spend more on health as their disposable incomes increase.

c) The emergence of private healthcare service - a number of high-quality private hospitals began operating, including Apollo Hospitals, Square Hospitals, United Hospital and others. These hospitals have become popular due to their high-quality service. They have been a major factor contributing to increased healthcare expenditure and have substituted for regional healthcare travel (although treatment in Malaysia and Singapore remains popular with some wealthy Bangladeshis even traveling to the United States for specialized services).

d) Although our government expenditures as a percentage of total healthcare expenditures remained stable over the last decade, they have increased in absolute terms. As people are getting educated, they are now more conscious about healthcare. As a result there will be increasing demand of "wellness" drugs, vaccines, medical devices, etc. On the other hand, many local companies are exporting their products to different countries. At this time Bangladesh is exporting medicines to about 125 countries.

e) The original inclusion of the Doha declaration in WTO/TRIPS Agreement, each and every country belonging to the least developed countries category has the option not to opt from pharma product patent until year 2016.

On 6th November last year, the WTO-TRIPS Council granted the least developed countries, which include Bangladesh, an exemption from obligations to implement patents and data protection for pharmaceutical products until 2033. This decision has particular significance for Bangladesh. Bangladesh is one of the few which are actually in a position to reap the benefits of this decision.

f) Aging population increases the necessity for more healthcare spending. Besides, chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases. As per WHO projections, by 2020, chronic diseases will account for almost three-quarters of all deaths worldwide.

- **Company Outlook**

OPL is working towards implementing the biggest Pharma Park of the country at Narayonganj. Innovation in molecule and dosage form technology is going to be emphasized in every step at the new plant. The installed production capacity will be increased significantly with the implementation of the Pharma Park and it will help us to meet the untapped demand of our medicines. At present we are not able to fulfill customer demand due to the limitation of our existing production capacity. We are optimistic about the future outlook, as with the increased production capacity, we will be able to enhance productivity and revenue income not only from local market but also from our export markets.

Orion Pharma Limited is committed to deliver top quality essential general drugs. The Company was awarded ISO 9001:2008 Quality Management System in 2009. At present we are working towards achieving the latest ISO 9001:2015 Standard, which is currently being acknowledged and implemented globally. We are hopeful of getting this certification very soon.

Acknowledgement

The results of the reporting financial year make it obvious that even though there is existence of so many challenges and difficulties, the hard work, determination and guidance of the Board, Management team and all the staffs and employees of the company helped overcome the hurdles. The Board of Directors also record with deep appreciation the efforts made by the Customers, Creditors, Suppliers, Banks, Insurance Companies, Government Agencies, and the Government in particular.

The Directors would also like to express profound gratitude to all other stakeholders of the Company for their trust and confidence on the Company by supporting the activities of the Company and look forward to their continued support and cooperation in future.

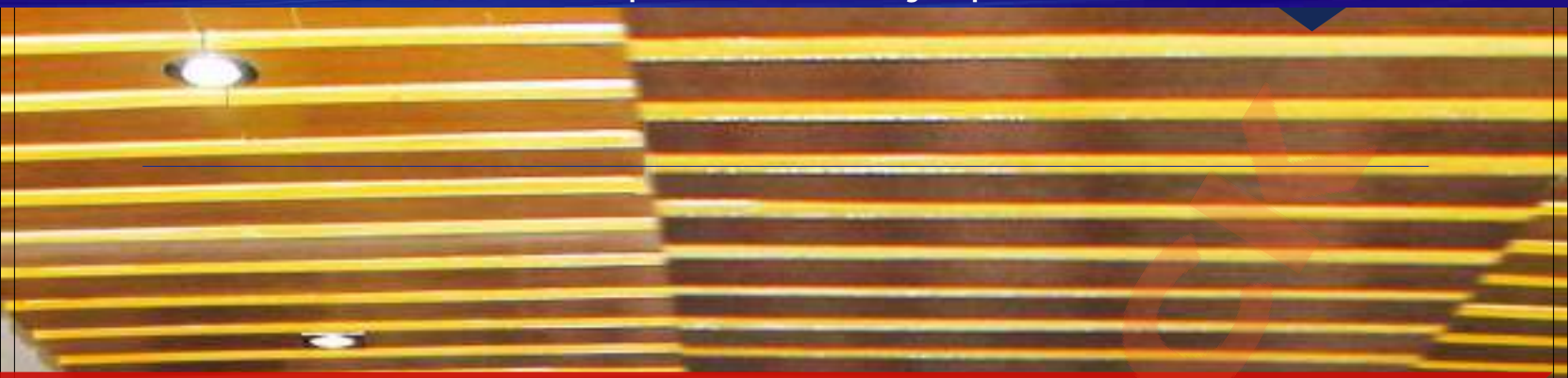
On behalf of the Board

Sd/-

Mohammad Obaidul Karim
Chairman

Annexure List:

1. Shareholding Pattern
2. Compliance with Code of Corporate Governance
3. CEO & CFO Certification
4. Compliance Report on BAS/BFRS
5. Certification on compliance of Corporate Governance
6. Corporate Governance Compliance Checklist



OPL is aware about social welfare thus every year it organizes welfare program to help those who are underpriviledged. This year during the month of Ramadan the company took the initiative to provide the children from orphanages with shoes and clothes for Eid Festival . About 60 orphans from Uttara and Jatrabari orphanages were provided with clothes and shoes to make their Eid more joyous and also to make them feel equally precious as all the other children who are privileged in the society. OPL will continue to perform corporate social responsibilities to eliminate the social inequality and help the underpriviledged group in the society.



ANNEXURE-1

SHAREHOLDING PATTERN

As on June 30, 2017

	Status	Shares held	Holding %
PARENT / SUBSIDIARIES / ASSOCIATES AND OTHER RELATED PARTIES:	-	-	-
DIRECTORS			
Mr. Mohammad Obaidul Karim	Chairman	35,514,000	15.18
Mrs. Arzuda Karim	Director	8,805,600	3.76
Mr. Salman Obaidul Karim	Managing Director	9,708,960	4.15
Mrs. Zareen Karim	Director	6,413,040	2.74
Panbo Bangla Mushroom Ltd.	Nominated Director	14,400,000	6.15
R/B Mrs. Hasina Begum			
Mr. Golam Mohiuddin	Independent Director	-	-
Lt. Col. Kamal Ahmed PSC (Retd.)	Independent Director	-	-
CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, HEAD OF INTERNAL AUDIT AND THEIR SPOUSES AND MINOR CHILDREN:			
Mr. Salman Obaidul Karim	Chief Executive Officer	9,708,960	4.15
Mr. Samaresh Banik	Chief Financial Officer	-	-
Mr. Md. Ferdous Jaman	Company Secretary	-	-
Mr. Md. Ibrahim Khalil	Head of Internal Audit	-	-
EXECUTIVES:			
Mr. Chowdhury Razzak Haider	Head of HR	-	-
Mr. Md. Arif Hossain	Head of Commercial	-	-
Mr. Zafar Ahmed Tarique	Head of Tech & Op	-	-
Mr. Sazed Karim	Head of Admin	-	-
Mr. Md. Alauddin, ACA, ACS	Head of Accounts	-	-
SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST IN THE COMPANY:			
Mr. Mohammad Obaidul Karim	Chairman	35,514,000	15.18

	No. of Shareholders	Shares held	Holding %
Sponsors	5	74,841,600	31.98
Foreign Investors	310	9,461,318	4.04
Financial Institutions	313	95,829,829	40.95
General Public	48,235	53,867,253	23.03
	48,863	**234,000,000**	**100.00**



ANNEXURE-2

COMPLIANCE WITH Corporate Governance Guidelines

Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012

Orion Pharma Limited is a public company listed under the pharmaceutical and chemical sector of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). The Company is subject to the Bangladesh Securities and Exchange Commission rules and regulations and the Companies Act as well as other relevant legislation.

Although the Company has complied throughout the reporting period with all the provisions set out under Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012, the board recognizes that practices and procedures to ensure the highest standards of corporate governance can always be improved. Hence the board will continually review and update the board's governance policies and procedures to ensure ongoing adherence to the above mentioned notification.

1. Board of Directors:

1.1 Board Size:

For the year under review, the Board consisted of 7 (seven) members including 2 (two) Independent Directors which complies with the requirements by the regulations of BSEC. At every Annual General Meeting one third of the directors retires and seeks for re-election.

1.2 Independent Directors (ID):

- In accordance with the requirements of this sub-clause the Board of Directors as empowered by the Regulations, appointed Mr. Golam Mohiuddin and Lt. Col. Kamal Ahmed PSC. (Retd) as the Independent Directors of OPL which provides a balance and ensures transparency in decision making process.
- All the requirements as prescribed under the sub-clause (ii) of BSEC Notification under reference have been fulfilled.
- The appointment of first Independent Director, Mr. Golam Mohiuddin has already been approved for second term by the shareholders in the last Annual General Meeting (AGM). The second Independent Director, Lt. Col. Kamal Ahmed PSC. (Retd) was appointed at the Board meeting held on July 10, 2014 and was approved by the shareholders in Annual General Meeting (AGM). The tenure of Mr. Lt. Col. Kamal Ahmed, PSC (Retd) has expired October, 2017 and being eligible, the Board recommended him to be appointed as the ID of the Company, subject to the approval of the shareholders in the upcoming AGM.
- The post of Independent Director was not remained vacant for more than 90 days.
- The Board has laid down a code of conduct of all Board members and a record of compliance of the code has been maintained.
- The tenure of office of the Independent Directors above shall be 3 (three) years which may be extended for 1 (one) term only. Here, Mr. Golam Mohiuddin already held the office of Independent Director for 3 (three) years and the Board decided to extend his term for another 3 (three) years with the approval of Shareholders in Annual General Meeting. Besides, Mr. Lt. Col. Kamal Ahmed, PSC (Retd) has also successfully completed his first term and being eligible, the board recommended him to hold the office of ID for another three years subject to the approval of shareholders in this AGM.

1.3 Qualification of Independent Directors:

- The appointed IDs are highly knowledgeable and qualified person. They are able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.
- The qualification of both the Independent Directors is already described under 'PROFILES OF DIRECTORS'.
- No relaxation is required.

1.4 Chairman of the Board and Chief Executive Officer:

Different individuals have been appointed for the post of the Chairman of the Board and Chief Executive Officer of the Company. Mr. Mohammad Obaidul Karim is the Chairman and Mr. Salman Obaidul Karim acts as the Managing Director as well as the CEO of the Company. Their roles and responsibilities have been defined clearly.

1.5 The Director's Report to Shareholders

All the requirements have been fulfilled properly.

2. Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):

2.1 Appointment:

The following three different persons have been appointed for the post of CFO, Head of Internal Audit and the CS:

Chief Financial Officer
Mr. Samaresh Banik

Head of Internal Audit
Mr. Md. Ibrahim Khalil

Company Secretary
Mr. Md. Ferdous Jaman

2.2 Attendance of CFO and CS at the meeting of Board:

The CFO and the CS attended the Board meetings regularly.

3. Audit Committee:

The Board has constituted an Audit and Risk Committee as a sub-committee of the Board for assistance to the Board and their scope of works and responsibilities is clearly defined according to the conditions of BSEC guidelines. A detailed description including the Audit and Risk Committee Report is attached in Governance Chapter of this report.

4. External Statutory Auditors:

The Board has recommended the Statutory Auditor for conducting the audit of financial statements of OPL and the Statutory Auditors have been appointed by the shareholders at the AGM following the Companies Act, 1994 and existing provisions of Securities Laws strictly. The internal audit committee monitored and ensured that the statutory auditors were not involved in the services mentioned under point no 4 of BSEC notification.

5. Subsidiary Company:

The requirements under points no.5 of the BSEC notification have been fulfilled in constituting the Board of Directors of 2 (Two) subsidiaries of OPL. Mr. Golam Mohiuddin, Independent Director of OPL, has been nominated as the Director of all subsidiary Companies.

6. Duties of CEO & CFO:

All the requirements relating to the duties of CEO and CFO are being complied with. CEO and CFO's declaration to the board has been disclosed in the Annexure 3 of the Annual Report.

7. Reporting and Compliance of Corporate Governance:

The provisions of BSEC regulation have been fulfilled regarding the compliance of corporate governance. We have obtained the Certificate about compliance of conditions of Corporate Governance Guidelines from a practicing Professional Accountant which has been disclosed in Annexure 5 and 6 of this report.

ANNEXURE-3

CEO AND CFO CERTIFICATION

Dated: November 07, 2017

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

Subject: Certification of CEO and CFO to the Board

Dear Members of the Board:

In terms of the condition No.6 conferred by the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969),

We, Salman Obaidul Karim, Chief Executive Officer & Managing Director and Samaresh Banik, Chief Financial Officer, to the best of our knowledge and belief, do hereby certify to the Board of the Company that

We have reviewed the financial statements of Orion Pharma Limited including the notes on accounts prepared for the period ended June 30, 2017. These statements do not contain any materially untrue statement or omit to state any material fact or contain statements that might be misleading with respect to the period covered by this report.

These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.

There are no transactions entered into by the company during the period which are fraudulent, illegal or violation of the company's code of conduct.

Yours sincerely

Sd/-
Salman Obaidul Karim
Managing Director & CEO

Sd/-
Samaresh Banik
Chief Financial Officer

ANNEXURE-4

COMPLIANCE REPORT ON BAS & BFRS

BAS No.	BAS Title	Remarks
01	Presentation of Financial Statements	Applied with some departure
02	Inventories	Applied
07	Statement of Cash Flows	Applied
08	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
10	Events after the reporting period	Applied
11	Construction Contracts	N/A
12	Income Taxes	Applied
16	Property, Plant and Equipment	Applied
17	Leases	Applied
18	Revenue	Applied
19	Employee Benefits	Applied
20	Accounting of Government Grants and Disclosure of Government Assistance	N/A
21	The Effects of Changes in Foreign Exchange Rates	Applied
23	Borrowing Costs	N/A
24	Related Party Disclosures	Applied
26	Accounting and Reporting by Retirement Benefit Plans	N/A
27	Consolidated and Separate Financial Statements	Applied
28	Investment in Associates	Applied
29	Financial Reporting in Hyperinflationary Economics	N/A
32	Financial Instruments: Presentation	Applied with some departure
33	Earnings per share	Applied
34	Interim Financial Reporting	Applied
36	Impairment of Assets	Applied
37	Provisions, Contingent Liabilities and Contingent Assets	Applied
38	Intangible Assets	Applied with some departure
39	Financial Instruments: Recognition and Measurement	Applied with some departure
40	Investment Property	N/A
41	Agriculture	N/A

BFRS No.	BFRS Title	Remarks
01	First-time Adoption of International Financial Reporting Standards	N/A
02	Share-based Payment	N/A
03	Business Combinations	N/A
04	Insurance Contracts	N/A
05	Non-current Assets Held for Sale and Discontinues Operations	N/A
06	Exploration for and Evaluation of Mineral Resources	N/A
07	Financial Instruments: Disclosures	Applied with some departure
08	Operating Segments	Applied with some departure
09	Financial Instruments	Applied
10	Consolidated Financial Statements	Applied with some departure
11	Joint Arrangements	N/A
12	Disclosure of Interests in Other Entities	Applied
13	Fair Value Measurement	Applied with some departure
14	Regulatory Deferral Accounts	N/A
15	Revenue from Contracts with Customers	N/A

AMARSTOCK

ANNEXURE-5

CERTIFICATE ON

CORPORATE GOVERNANCE COMPLIANCE

ARTISAN
Chartered Accountants

Ref: Date:

CERTIFICATE OF COMPLIANCE TO THE SHAREHOLDERS
OF
ORION PHARMA LIMITED
On the Conditions of Corporate Governance Guidelines

We have reviewed the statement of compliance of Conditions of Corporate Governance guidelines prepared by the management of **Orion Pharma Limited** to comply with the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC), where the company is listed.

The responsibility for compliance with the Conditions of Corporate Governance Guideline is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the conditions of Corporate Governance guidelines and report if it does not.

Based on our review, we certify that nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Conditions of Corporate governance as applicable to the Company for the year ended on 30 June, 2017.

Dhaka, 12 November, 2017

Md. Selim Reza, FCA, FCS
Partner
ARTISAN
Chartered Accountants

BSEC Bhaban (Level 10), 102, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215.
Phone : 8189883-7, 8180163-6, Fax : 8180187, E-mail : info@artisan-ca.com, Web: www.artisan-ca.com

ANNEXURE-6

CHECKLIST ON

CORPORATE GOVERNANCE COMPLIANCE

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006- 158/134/Admin/44 dated 7th August, 2012 issued under section 2CC of the Securities and Exchange Ordinance 1969 is presented below:

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	**Board of Directors:**			
1.1	The number of the Board members of the company shall not be less than 5(five) and more than 20(twenty).	✓		The Board of Orion Pharma Limited is comprised of 7 (seven) Directors including 2 (two) Independent Directors.
1.2	**Independent Directors**			
1.2 (i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	✓		There are two Independent Directors in Orion Pharma Limited's Board, namely: Mr. Golam Mohiuddin and Mr. Lt. Col. Kamal Ahmed, PSC (Retd)
1.2(ii)	For the purpose of this clause "independent director" means a director.	✓		The Independent Directors have declared their compliances.
1.2 (ii) a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital.	✓		Do
1.2 (ii) b)	Independent Director or his family members are not connected with the company's any sponsor or Director or Shareholder who holds 1% or more shares.	✓		Do
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		Do
1.2 (ii) d)	Independent Director is not a member, Director or officer of any Stock Exchange.	✓		Do
1.2 (ii) e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the capital market.	✓		Do
1.2 (ii) f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of any statutory audit firm.	✓		Do
1.2 (ii) g)	Independent Director shall not be an Independent Director in more than 3(three) listed companies.	✓		Do
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	✓		Do
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	✓		Do
1.2 (iii)	Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM.	✓		In Practice
1.2 (iv)	The Post of Independent Director(s) cannot remain vacant for more than 90(ninety) days.	✓		There has been no vacancy in the position of Independent Directors during the period.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		Every director has signed a confirmation as to its compliance.
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1(one) term only.	✓		The tenure of Mr. Lt. Col. Kamal Ahmed, PSC (Retd) has expire October, 2017 and being eligible, the Board recommended him to be re-appointed as the ID of the Company,subject to the approval of the Shareholder's in the upcoming AGM.
1.3	**Qualification of Independent Director (ID)**			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of Independent Directors justify their ability as such.
1.3 (ii)	Independent Director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost and Management Accountants, Chartered Secretaries. The Independent Director must have at least 12(twelve) years of corporate management/professional experiences.	✓		Independent Directors are Corporate Leader and have knowledge on Business, economics etc. possessing more than 12 (Twelve) years of experience.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	Not Applicable		
1.4	**Chairman of the Board and Chief Executive Officer**			
1.4	Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	✓		Chairman of the Board and CEO are different individuals. The rules and responsibilities of Chairman and the CEO are approved in Board meeting.
1.5	**The Directors' Report to Shareholders**			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		The Directors report complies with the guidelines.
1.5 (ii)	Segment-wise or product-wise performance.	✓		Do
1.5 (iii)	Risks and concerns.	✓		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		Do
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Not Applicable		Do
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	✓		Do
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Not Applicable		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public offering (RPO), Rights offer, Direct Listing, etc.	Not Applicable		The Directors report complies with the guidelines.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Not Applicable		Do
1.5 (x)	Remuneration to Directors including Independent Directors.	✓		Do
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		Do
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		Do
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable prudent judgments	✓		Do
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		Do
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		Do
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Do
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Not Applicable		Do
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Do
1.5 (xix)	Reason for non Declaration of Dividend	Not Applicable		The Company has declared 15% Cash Dividend for the reporting year.
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	✓		
1.5 (xxi)	**The pattern of shareholdings shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5(xxi) a)	Parent/Subsidiary/Associated companies and other related parties (name wise details);	✓		Disclosed in Annexure to Directors Report.
1.5(xxi) b)	Directors, Chief Executive Officer, Company Secretary, and Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	✓		Do
1.5(xxi) c)	Executives	✓		Do
1.5(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		Mr. Mohammad Obaidul Karim holds 15.18% shares of the company.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5(xxii)	In case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders:- a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) Names of the companies in which the person also holds the Directorship and the membership of committees of the Board.	✓		Do
2	**Chief Financial Officer, Head of Internal Audit and Company Secretary**			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of CFO, The Head of Internal Audit and the CS.	✓		The Company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2	Attendance of CFO and the Company Secretary in the Board meeting.	✓		In Practice
3	**Audit Committee**			
3 (i)	The company shall have an Audit Committee as a sub- committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		In Practice
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice
3.1	**Constitution of the Audit Committee**			
3.1 (i)	The Audit Committee shall be composed of at least 3(three) members.	✓		The Audit Committee is composed with 3 (Three) members.
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the company and shall include at least 1 (one) Independent Director.	✓		The members of the Audit Committee are appointed by the board who are Directors and which includes 2 (two) Independent Directors.
3.1 (iii)	All members of the Audit Committee should be "Financially Literate" and at least 1(one) member shall have accounting or related financial management experience: the term financially literate means the ability to read and understand the financial statement i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/Finance Graduate with at least 12 (twelve) years of corporate management/professional experiences.	✓		Based on the academic qualification and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are "Financially Literate" and they have 'Related Financial Management experience" as per BSEC notification.
3.1 (iv)	Casual vacancy in Audit Committee shall be filled by the Board.	✓		The Board appointed audit committee member in due time.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.1 (v)	The Company Secretary shall act as the Secretary of the committee.	✓		In Practice
3.1 (vi)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) Independent Director.	✓		In Practice
3.2	**Chairman of the Audit Committee**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairmen of the Audit Committee, who shall be an Independent Director.	✓		Mr. Golam Mohiuddin has been appointed as Independent Director who is also Chairman of Audit Committee.
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		In Practice
3.3	**Role of the Audit Committee**			
3.3 (i)	The role of Audit Committee: Oversee the financial reporting process.	✓		In Practice
3.3 (ii)	Monitor choice of accounting policies and principles	✓		In Practice
3.3 (iii)	Monitor Internal Control Risk Management process	✓		In Practice
3.3 (iv)	Oversee hiring and performance of external Auditors.	✓		In Practice
3.3 (v)	Review along with the management, the annual financial statements before submission the Board for approval.	✓		In Practice
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		In Practice
3.3 (vii)	Review the adequacy of Internal Audit functions.	✓		In Practice
3.3 (viii)	Review statement of significant related party transaction submitted by the management.	✓		In Practice
3.3 (ix)	Review Management letters/Letter of Internal Control weakness issued by statutory auditor.	Not Applicable		No Such Letter was issued by the Statutory auditor.
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee above the uses / applications of funds by major category (Capital Expenditure , Sales and marketing Expenses, Working Capital etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer documents/ prospectus.	Not Applicable		
3.4	**Reporting of the Audit Committee**			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		In Practice
3.4.1 (ii) a)	Report on conflicts of interest to the Board of Directors.	Not Applicable		There was no reportable case of conflict of interest in the reporting period
3.4.1 (ii) b)	Will report any suspected or presumed fraud or irregularities or material defect in the internal control system to the Board.	Not Applicable		There was no such case in the year.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.1 (ii) c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board.	Not Applicable		Do
3.4.1 (ii) d)	Will report any other matters which shall be disclosed to the Board of Directors immediately.	Not Applicable		Do
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such findings to the commission, upon reporting of such matters to the Board of Directors for 3 (three) times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	Not Applicable		Do
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the audit Committee.
4	**External/Statutory Auditors**			
4 (i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions.	✓		In Practice
4 (ii)	Non-engagement of external/ statutory auditors in Financial Information Systems Design and implementation.	✓		In Practice
4 (iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements.	✓		In Practice
4 (iv)	Non-engagement of external/statutory auditors in Broker-dealer services.	✓		In Practice
4 (v)	Non-engagement of external/statutory auditors in Actuarial Services.	✓		In Practice
4 (vi)	Non-engagement of external/statutory auditors in Internal Audit services.	✓		In Practice
4 (vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines.	✓		In Practice
4 (viii)	No partner or employees of the external audit firm's shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		In Practice

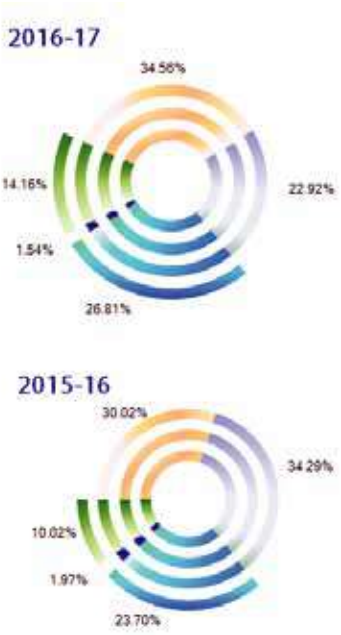
Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	✓		In Practice
5	**Subsidiary Company**			
5 (i)	Provisions relating to the composition to the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		Orion Pharma Limited has two subsidiaries namely Dutch-Bangla Power & Associates Ltd. and Orion Power Meghnaghat Ltd.
5 (ii)	At least 1(one) Independent Directors on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company.	✓		In Practice
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		In Practice
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		In Practice
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		In Practice
6	**Duties of Chief Executive Officer(CEO) and Chief Financial Officer(CEO)**			
6 (i) a)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	✓		CEO and CFO certified to the Board during finalization of Financial Statement which is stated in the "Annual Report."
6 (i) b)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		Do
6 (ii)	There are, to the best knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		Do
7	**Reporting and Compliance of Corporate Governance**			
7 (i)	The company shall obtain a certificate from a professional Chartered Secretary/ Accountant (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall sent the same to the Shareholders along with the Annual Report on an yearly basis.	✓		Certificate has been obtained from ARTISAN-Chartered Accountants for the year ended on 30th June, 2016 which is published in annual Report.
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	✓		Status of compliance is published with the Directors' report as required.

CONSOLIDATED

VALUE ADDED STATEMENT

Value added statement shows how the value or wealth created by a Company and its employees through its various business activities is measured and then shared after considering the amounts retained and reinvested in the Company.

Set out here is the value added by the Company and its employees during the period under review and how funds were applied.



VALUE ADDED	2016-17 (12 months) BDT in million		2015-16 (18 months) BDT in million	
Value Added by operating activities			**3,428.89**	
Net Revenue	9,534.35		14,799.74	
Less: Cost of goods and services provided	(7,072.75)		(11,370.85)	
Value added by investing activities	**16.64**		**74.09**	
Interest and other income	9.86		46.86	
Share of Profit from Associates	6.78		27.23	
Wealth Created	**2,478.24**		**3,502.98**	
VALUE DISTRIBUTED		**%**		**%**
Distributed to employees	**664.46**	**26.81**	**830.10**	**23.70**
Salaries, wages, allowances and bonus	664.46		830.10	
Distributed to Government	**38.15**	**1.54**	**68.98**	**1.97**
Income Tax	38.15		68.98	
Distributed to providers of capital	**351.00**	**14.16**	**351.00**	**10.02**
Dividend	351.00		351.00	
Value reinvested	**856.54**	**34.56**	**1,051.71**	**30.02**
Depreciation and amortization	847.42		1,051.79	
Deferred Tax	9.12		(0.08)	
Value retained	**568.09**	**22.93**	**1,201.19**	**34.29**
Retained profit	443.50		972.07	
Non-Controlling Interest	124.59		229.12	
Wealth Distributed	**2,478.24**	**100.00**	**3,502.98**	**100.00**

During the financial year 2016-2017, 26.81% of the Company's net value addition was distributed to employees, 14.16% to shareholders, 1.54% to Government and the remaining 57.49% was retained and reinvested for future expansion and growth.

With the aim of building long-term and sustainable value for all stakeholders, Orion Pharma Limited has increased its retained earnings for strategic expansion, modernization of our infrastructure and other investments to enhance our continued competitiveness. The increase in retained earnings by BDT 443.50 million against the last financial year's figure demonstrates the commitment to funding these initiatives.

CONSOLIDATED ECONOMIC

VALUE ADDED STATEMENT

Economic Value Added (EVA) measures how well a company has performed in relation to the amount of capital employed. Economic Value Added (EVA) estimates a Company's economic profit or the value created in excess of the minimum required return of the company's shareholders and most directly links financial performance with the creation of shareholder wealth over time.

	2016-17 (12 months) BDT in million	2015-16 (18 months) BDT in million
Net profit before tax	959.58	1,593.86
Add back:		
Net Finance cost	678.56	1,273.31
Net Operating profit before tax	**1,638.14**	**2,867.17**
Adjusted for:	(165.06)	(270.79)
Share of profit from Associates	6.78	27.23
Income Tax	(47.25)	(68.90)
Non-controlling Interest	(124.59)	(229.12)
Net Operating Profit after Tax (NOPAT)	**1,473.08**	**2,596.38**
Average Shareholders' Equity	16,490.16	16,085.87
Cost of Equity	7.01%	12.68%
Cost of Average Equity	**1,159.96**	**2,039.69**
Economic Value Added	**313.12**	**556.69**

**Cost of equity has been calculated based on the CAPM using 5 year Treasury Bond rate as the risk free rate*

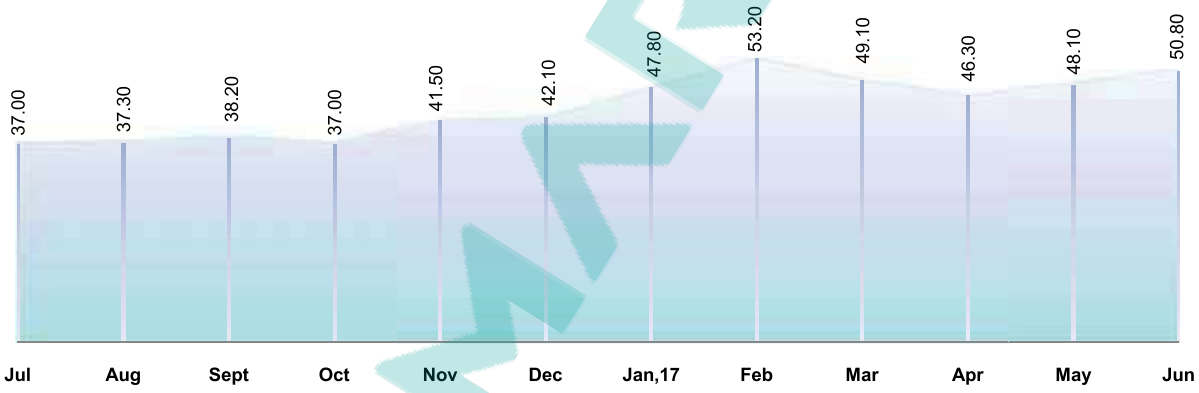
SHARE PERFORMANCE

	DSE	CSE
Stock Symbol	ORIONPHARM	ORIONPHARM
Company ID	18486	13027
Listing Year	2013	2013
Market Category	A	A
Electronic Share	Yes	Yes
Total Number of Outstanding Securities	234,000,000	234,000,000
	June 2017	**June 2016**
Market Capitalization – DSE (Million BDT)	11,887.20	8,611.20
Market Capitalization – CSE (Million BDT)	11,840.40	8,658.00
EPS (BDT)	3.40	5.65
DPS (BDT)	1.50*	1.50
Payout Ratio (%)	44.12	26.55
Share Price –DSE (BDT)	50.80	36.80
Share Price- CSE (BDT)	50.60	37.00
Weighted Average Number of Shares Outstanding	234,000,000	234,000,000

*Proposed

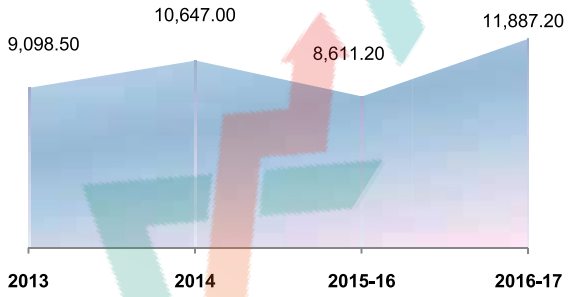
MONTH END SHARE PRICE

For a period of July 2016 to June 2017



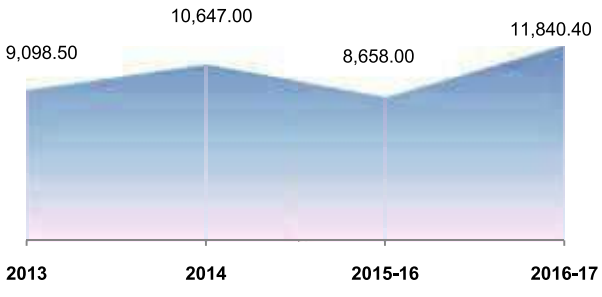
MARKET CAPITALIZATION DSE

Million BDT



MARKET CAPITALIZATION CSE

Million BDT





HUMAN RESOURCE ACCOUNTING

Human Resource Accounting is the activity of knowing the cost invested for employees towards their recruitment, training them, payment of salaries & other benefits paid and in return knowing their contribution to organization towards its profitability. Orion Pharma Limited has undertaken this attempt to identify and report investments made in the human resources of the Company and will provide information to the stakeholders regarding what changes overtime is occurring to the human resources of the business, and of the cost and value they are to the organization.

Our Company uses the Lev and Schwartz model to assess the value of Human Resource. As per this model, human resource of a company is the summation of value of all the Net present value (NPV) of expenditure on employees. According to the Management of Orion Pharma Limited, the total value of Human Capital has been ascertained BDT 308.87 million for the financial year 2016-2017 and BDT 195.24 million in financial year 2015-2016.

H.R Value Accounting:
Lev & Schwartz model

Year	2016-17	2015-16
Employees (no.)	2,287.00	2,223.00
Net Revenue	1,996.31	2,449.96
Value of Human Resources	703.76	648.44
Value Added	308.87	195.24
Ratio of:		
Net Revenue/ Value of Human Resources	2.84	3.78
Value Added/ Value of Human Resources	0.44	0.30

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORION PHARMA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Orion Pharma Limited and its subsidiaries and associates (the group), as well as the separate financial statements of Orion Pharma Limited (the company), which comprise the consolidated and separate Statement of Financial Position as at 30 June 2017 and consolidated and separate Statement of Profit or Loss and other Comprehensive Income, consolidated and separate Statement of Changes in Equity and consolidated and separate Statement of Cash Flows for the year from 01 July 2016 to 30 June 2017 then ended and a summary of significant accounting policies and other explanatory information thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations. This responsibility includes designing implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements of the group and separate financial statements of the company, give a true and fair view of the financial position of the company as well as of the group as at 30 June 2017 and of their Statement of Profit or Loss and other Comprehensive Income and their cash flows for the year from 01 July 2016 to 30 June 2017 then ended in accordance with Bangladesh Financial Reporting Standards (BFRS's).

Other Matter

The financial statements of the company's subsidiaries of Dutch Bangla Power and Associates Limited and Orion Power Meghnaghat Limited have been audited by another auditor as at 30 June 2017 and who expressed unqualified opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987, we also report that:

a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the separate and the consolidated statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purpose of the company's business.

Date : 07 November 2017
Place : Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

AMAR STOCK

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position

As at 30 June 2017

Particulars	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
Assets			
Non-current assets		**18,199,055,362**	**18,286,613,234**
Property, plant and equipment	5	13,555,928,520	14,058,343,412
Construction work in progress	6	2,201,030,644	1,591,424,708
Investment in associates	8	256,054,000	319,403,000
Other investments	9	2,186,042,198	2,317,442,114
Current assets		**9,963,731,093**	**8,603,292,025**
Inventories	10	1,017,944,110	681,075,164
Trade and other receivables	11	7,845,637,156	6,807,087,245
Advances, deposits and prepayments	12	814,201,012	872,933,890
Fixed deposit with banks	13	7,145,845	6,757,702
Cash and cash equivalents	14	278,802,970	235,438,024
Total assets		**28,162,786,455**	**26,889,905,259**
Equity and liabilities			
Shareholder's equity		**16,602,518,787**	**16,377,819,561**
Share capital	15	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	16	1,976,561,162	2,083,239,547
Retained earnings	17	4,269,065,599	3,937,687,989
Non - controlling interest	18	962,615,421	838,306,456
Total equity		**17,565,134,208**	**17,216,126,018**
Non-current liabilities		**5,175,148,658**	**5,935,323,480**
Redeemable preference shares	Annexure-E	500,000,000	500,000,000
Provision for decommissioning of assets	Annexure-F	143,405,563	143,405,563
Long term loan	19	4,428,289,449	5,197,391,244
Employee benefits	20	23,666,139	19,989,957
Deferred tax liability	21	79,787,507	74,536,715
Current liabilities		**5,422,503,589**	**3,738,455,761**
Short term loan	22	1,829,112,606	561,825,224
Trade and other payables	23	2,890,212,047	1,973,353,979
Accrued expenses	24	703,178,936	1,203,276,558
Total equity and liabilities		**28,162,786,455**	**26,889,905,259**
Number of shares used to compute NAV		**234,000,000**	**234,000,000**
Net asset value (NAV) including revaluation surplus		**70.95**	**69.99**
Net asset value (NAV) excluding revaluation surplus		**62.48**	**61.34**

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

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**	**Company Secretary**

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

Sd/-
Ahmad & Akhtar
Chartered Accountants

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED

Statement of Financial Position

As at 30 June 2017

Particulars	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
Assets			
Non-current assets		**10,482,010,033**	**9,910,680,476**
Property, plant and equipment	5a	4,821,883,191	4,665,410,653
Construction work in progress	6a	2,201,030,644	1,591,424,709
Investment in subsidiaries	7	1,017,000,000	1,017,000,000
Investment in associates	8	256,054,000	319,403,000
Other investments	9	2,186,042,198	2,317,442,114
Current assets		**6,054,170,090**	**5,800,753,696**
Inventories	10a	274,461,441	299,950,084
Trade and other receivables	11a	5,133,000,349	4,774,886,093
Advances, deposits and prepayments	12a	568,298,120	685,884,662
Fixed deposit with banks	13	7,145,845	6,757,702
Cash and cash equivalents	14a	71,264,335	33,275,154
Total assets		**16,536,180,123**	**15,711,434,172**
Equity and liabilities			
Shareholder's equity		**12,766,848,872**	**13,191,673,369**
Share capital	15	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	16a	1,545,045,941	1,635,665,548
Retained earnings	17a	864,910,905	1,199,115,795
Non-current liabilities		**1,041,333,925**	**1,091,685,245**
Long Term loan	19a	937,880,279	997,158,573
Employee benefits	20	23,666,139	19,989,957
Deferred tax liability	21	79,787,507	74,536,715
Current liabilities		**2,727,997,327**	**1,428,075,558**
Short term loan	22	1,829,112,606	561,825,224
Trade and other payables	23a	517,224,085	431,495,332
Accrued expenses	24a	381,660,636	434,755,003
Total shareholder's equity and liabilities		**16,536,180,123**	**15,711,434,172**
Number of shares used to compute NAV		**234,000,000**	**234,000,000**
Net asset value (NAV) including revaluation surplus		**54.56**	**56.37**
Net asset value (NAV) excluding revaluation surplus		**48.47**	**50.22**

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

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**	**Company Secretary**

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

Sd/-
Ahmad & Akhtar
Chartered Accountants

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

Particulras	Notes	Amount in Taka	
		01.07.2016 to 30.06.2017 (12 Months)	01.01.2015 to 30.06.2016 (18 Months)
Revenue from net sales	25	9,534,345,195	14,799,743,435
Cost of goods sold	26	(885,154,503)	(1,088,516,230)
Cost of power generation	27	(6,229,940,758)	(9,849,965,880)
Gross profit		**2,419,249,934**	**3,861,261,325**
Operating expenses		**(771,822,108)**	**(979,248,400)**
General and administrative expenses	28	(274,046,766)	(360,399,732)
Selling and distribution expenses	29	(497,775,342)	(618,848,668)
Profit from operation		**1,647,427,826**	**2,882,012,925**
Financial Expenses	30	(688,421,688)	(1,320,170,101)
Interest and other income	31	9,858,991	46,857,510
Net profit from operation		**968,865,129**	**1,608,700,334**
Workers profit participation fund		(9,287,259)	(14,840,295)
Net profit before tax		**959,577,869**	**1,593,860,039**
Income tax		**(47,266,560)**	**(68,900,722)**
Current tax expenses	32	(38,151,481)	(68,976,332)
Deferred tax income/(expense)	21	(9,115,079)	75,610
Net profit after tax		**912,311,309**	**1,524,959,317**
Share of profit from associate	8	6,777,900	27,234,901
Net profit		**919,089,209**	**1,552,194,218**
Less: Non controlling interest (share of operating profit)		(124,593,398)	(229,122,052)
Net profit after tax attributable to ordinary shareholders		**794,495,811**	**1,323,072,165**
Add: Other comprehensive income		**(69,537,897)**	**155,088,898**
Fair value gain/(loss) on marketable securities		(9,477,284)	44,734,731
Fair value gain/(loss) on investment in associates		(65,467,089)	108,339,628
Share of other comprehensive income		1,542,189	3,207,772
Deferrred tax income (expenses) on revaluation surplus		3,864,287	(1,193,233)
Total comprehensive income attributable to ordinary shareholders		**724,957,914**	**1,478,161,063**
Earning per share (EPS)	33	**3.40**	**5.65**

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Sd/-
Ahmad & Akhtar
Chartered Accountants

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

Particulars	Notes	Amount in Taka	
		01.07.2016 to 30.06.2017 (12 Months)	01.01.2015 to 30.06.2016 (18 Months)
Revenue from net sales	25a	1,996,306,215	2,449,956,082
Cost of goods sold	26	(885,154,503)	(1,088,516,230)
Gross profit		**1,111,151,712**	**1,361,439,852**
Operating expenses		**(718,666,854)**	**(875,178,380)**
General and administrative expenses	28a	(220,891,512)	(256,329,712)
Selling and distribution expenses	29	(497,775,342)	(618,848,668)
Profit from operation		**392,484,858**	**486,261,472**
Financial Expenses	30a	(207,311,402)	(221,472,787)
Interest and other income	31	9,858,991	46,857,510
Net profit from operation		**195,032,447**	**311,646,196**
Workers profit participation fund		(9,287,259)	(14,840,295)
Net profit before tax		**185,745,188**	**296,805,901**
Income tax		**(47,266,560)**	**(68,900,722)**
Current tax expenses	32	(38,151,481)	(68,976,332)
Deferred tax income/(expense)	21	(9,115,079)	75,610
Net profit after tax		**138,478,628**	**227,905,178**
Share of profit from associate	8	6,777,900	27,234,901
Net profit		**145,256,528**	**255,140,079**
Add: Other comprehensive income		**(69,537,897)**	**155,088,898**
Fair value gain/(loss) on marketable securities		(9,477,284)	44,734,732
Fair value gain/(loss) on investment in associates		(65,467,089)	108,339,628
Share of other comprehensive income		1,542,189	3,207,772
Deferrred tax income (expenses) on revaluation surplus		3,864,287	(1,193,233)
Total comprehensive income attributable to ordinary shareholder		**75,718,631**	**410,228,977**
Earning per share (EPS)	33a	**0.62**	**1.09**

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Sd/-
Ahmad & Akhtar
Chartered Accountants

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Total	Non controlling Interest	Total
Balance as at 01 January 2015	**2,340,000,000**	**8,016,892,026**	**2,013,782,755**	**3,423,244,972**	**15,793,919,753**	**758,018,457**	**16,551,938,209**
Prior year adjustment	-	-	-	(499,078,050)	**(499,078,050)**	(147,550,931)	**(646,628,981)**
Net Profit after Tax	-	-	-	1,323,072,165	**1,323,072,165**	229,122,052	**1,552,194,218**
Fair Value Gain on Investment in Associates	-	-	108,339,628	-	**108,339,628**	-	**108,339,628**
Dividend for the year 2014	-	-		(351,000,000)	**(351,000,000)**	-	**(351,000,000)**
Adjustment for sale of Mkt. Securities	-	-	9,348,625	-	**9,348,625**	-	**9,348,625**
Fair Value Gain on Marketable Securities	-	-	44,734,731	-	**44,734,731**	-	**44,734,731**
Share of Other Comprehensive Income	-	-	3,207,772	-	**3,207,771**	-	**3,207,771**
Adjustment of deferred tax on revaluation surplus	-	-	(1,193,233)	-	**(1,193,233)**	-	**(1,193,233)**
Depreciation on Revaluation Surplus	-	-	(51,901,300)	51,901,300	-	-	-
Adjustment for sale of Land	-	-	(92,062,711)	-	**(92,062,711)**	-	**(92,062,711)**
Adjustment for loss of control from Subsidiaries	-	-	48,983,281	(10,452,397)	**38,530,884**	(1,283,122)	**37,247,762**
Balance as at 30 June 2016	**2,340,000,000**	**8,016,892,026**	**2,083,239,548**	**3,937,687,989**	**16,377,819,562**	**838,306,456**	**17,216,126,018**
Balance as at 01 July 2016	**2,340,000,000**	**8,016,892,026**	**2,083,239,548**	**3,937,687,989**	**16,377,819,562**	**838,306,456**	**17,216,126,018**
Prior year adjustment	-	-	-	(144,344,718)	**(144,344,718)**	(284,433)	**(144,629,151)**
Net Profit after Tax	-	-	-	794,495,811	**794,495,811**	124,593,398	**919,089,209**
Fair Value Gain on Investment in Associates	-	-	(65,467,089)	-	**(65,467,089)**	-	**(65,467,089)**
Dividend for the year 2015-2016	-	-		(351,000,000)	**(351,000,000)**	-	**(351,000,000)**
Adjustment for sale of Mkt. Securities	-	-	(4,913,972)	-	**(4,913,972)**	-	**(4,913,972)**
Fair Value Gain on Marketable Securities	-	-	(9,477,284)	-	**(9,477,284)**	-	**(9,477,284)**
Share of Other Comprehensive Income	-	-	1,542,189	-	**1,542,189**	-	**1,542,189**
Adjustment of deferred tax on revaluation surplus	-	-	3,864,287	-	**3,864,287**	-	**3,864,287**
Depreciation on Revaluation Surplus	-	-	(32,226,517)	32,226,517	-	-	-
Balance as at 30 June 2017	**2,340,000,000**	**8,016,892,026**	**1,976,561,162**	**4,269,065,599**	**16,602,518,787**	**962,615,421**	**17,565,134,208**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Dated: 07 November 2017
Place: Dhaka

NAMASTOCK

ORION PHARMA LIMITED

Statement of Changes in Equity

For the year ended 30 June 2017

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
Balance as at 01 January , 2015	2,340,000,000	8,016,892,026	1,591,391,417	1,259,012,918	**13,207,296,361**
Prior year adjustment	-	-		7,862,118	**7,862,118**
Net Profit after tax	-	-	-	255,140,079	**255,140,079**
Dividend for the year 2014	-	-	-	(351,000,000)	**(351,000,000)**
Fair Value gain on Investment in Associates	-	-	108,339,628	-	**108,339,628**
Adjustment for Sale of Land	-	-	(92,062,711)	-	**(92,062,711)**
Share of other comprehensive Income	-	-	3,207,772	-	**3,207,772**
Adjustment for sale of Mkt. Securities	-	-	9,348,625	-	**9,348,625**
Fair Value gain on Marketable Securities	-	-	44,734,731	-	**44,734,731**
Adjustment of deferred tax on revaluation Surplus	-	-	(1,193,233)	-	**(1,193,233)**
Adjustment for Dep on Revaluation Surplus			(28,100,681)	28,100,681	-
Balance as at 30 June 2016	**2,340,000,000**	**8,016,892,026**	**1,635,665,548**	**1,199,115,795**	**13,191,673,369**
Balance as at 01 July , 2016	**2,340,000,000**	**8,016,892,026**	**1,635,665,548**	**1,199,115,795**	**13,191,673,369**
Prior year adjustment	-	-	-	(144,629,157)	**(144,629,157)**
Net Profit after tax	-	-	-	145,256,528	**145,256,528**
Dividend for the period 2015- 2016	-	-	-	(351,000,000)	**(351,000,000)**
Fair Value gain on Investment in Associates	-	-	(65,467,089)	-	**(65,467,089)**
Share of other comprehensive Income	-	-	1,542,189	-	**1,542,189**
Adjustment for sale of Mkt. Securities	-	-	(4,913,971)	-	**(4,913,971)**
Fair Value gain on Marketable Securities	-	-	(9,477,284)	-	**(9,477,284)**
Adjustment of deferred tax on revaluation Surplus	-	-	3,864,287	-	**3,864,287**
Adjustment for Dep on Revaluation Surplus	-	-	(16,167,739)	16,167,739	-
Balance as at 30 June 2017	**2,340,000,000**	**8,016,892,026**	**1,545,045,941**	**864,910,905**	**12,766,848,872**

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**	**Company Secretary**

Dated: 07 November 2017

Place: Dhaka

AMARSTOCK

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

Sl. No.	Particulars	Amount in Taka	
		01.07.2016 to 30.06.2017 (12 Months)	01.01.2015 to 30.06.2016 (18 Months)
A.	**Cash Flows from Operating Activities :**		
	Cash received from customers and others	8,925,270,483	13,788,729,497
	Cash paid to suppliers and others	(5,868,244,291)	(9,058,030,480)
	Cash payment for operating expenses	(687,076,073)	(718,984,457)
	Cash Generated from Operations	**2,369,950,119**	**4,011,714,560**
	Income taxes paid	(118,751,747)	(122,681,105)
	Net cash (used in)/ provided by operating activities	**2,251,198,372**	**3,889,033,455**
B.	**Cash Flows from Investing Activities :**		
	Acquisition of property, plant & equipment	(317,882,589)	(466,685,524)
	Capital work in progress	(609,605,935)	(232,011,615)
	Investment in securities and others	(117,008,661)	32,015,095
	Investment in subsidiries and associates	63,349,000	-
	Increase in other investment	-	6,024,809
	Proceeds from investment in FDR	(388,142)	564,061,587
	Dividends received	1,918,911	1,307,244
	Proceed from sales of PPE	-	159,075,000
	Net cash (used in)/ provided by investing activities	**(979,617,416)**	**63,786,596**
C.	**Cash Flows from Financing Activities :**		
	Long Term Loan Received / (Paid)	(769,101,795)	(1,218,823,242)
	Short Term Loan Received / (Paid)	879,930,222	(705,819,754)
	Interest paid	(1,123,428,989)	(1,144,384,986)
	Dividends paid	(215,615,446)	(381,498,779)
	Prior year adjustment	-	(655,382,354)
	Net cash (used in)/ provided by financing activates	**(1,228,216,009)**	**(4,105,909,113)**
	Net Cash Increase/(decrease) during the year (A+B+C)	43,364,946	(153,089,062)
	Cash & cash equivalents at the beginning of the year	235,438,024	388,527,087
	Cash & cash equivalents at the end of the year	**278,802,970**	**235,438,024**
	Net Operating Cash Flows Per Share (NOCFPS)	**9.62**	**16.62**

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED

Statement of Cash Flows

For the year ended 30 June 2017

Sl. No	Particulars	Amount in Taka	
		01.07.2016 to 30.06.2017 (12 Months)	01.01.2015 to 30.06.2016 (18 Months)
A.	**Cash Flows from Operating Activities:**		
	Cash received from customers and others	1,676,084,077	2,212,521,757
	Cash paid to suppliers and others	(644,232,846)	(995,708,080)
	Cash payment for operating expenses	(687,076,073)	(718,984,457)
	Cash Generated from Operations	**344,775,158**	**497,829,220**
	Income taxes paid	(118,751,747)	(122,681,105)
	Net cash (used in)/ provided by operating activities	**226,023,411**	**375,148,115**
B.	**Cash Flows from Investing Activities:**		
	Acquisition of property, plant & equipment	(311,381,645)	(460,863,107)
	Capital work in progress	(609,605,935)	(305,227,303)
	Investment in securities and others	(117,008,661)	2,417,514
	Investment in subsidiries and associates	63,349,000	-
	Increase other investment	-	6,024,809
	Proceeds from investment in FDR	(388,142)	564,061,586
	Dividends received	1,918,911	1,307,244
	Proceed from sales of PPE	-	159,075,000
	Net cash (used in)/ provided by investing activities	**(973,116,472)**	**(33,204,257)**
C.	**Cash Flows from Financing Activities:**		
	Long term loan received / (paid)	(59,278,294)	527,584,983
	Short term loan received / (paid)	1,267,287,384	(612,206,497)
	Interest paid	(207,311,401)	(221,472,787)
	Dividends paid	(215,615,446)	(381,498,779)
	Net cash (used in)/ provided by financing activates	**785,082,242**	**(687,593,080)**
	Net cash increase/decrease during the year (A+B+C)	**37,989,181**	**(345,649,222)**
	Cash & cash equivalents at the beginning of the year	33,275,154	378,924,375
	Cash & cash equivalents at the end of the year	**71,264,335**	**33,275,154**
	Net Operating Cash Flows Per Share (NOCFPS)	**0.97**	**1.60**

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**	**Company Secretary**

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED

Notes, comprising a summary of significant accounting policies and other explanatory information

For the year ended 30 June 2017

1.00 Reporting Entity

1.01 Background of the Entity

Orion Pharma Limited, earlier called Orion Laboratories Limited was incorporated in 1965 as a private limited company. The Company was converted into a public limited company on 24 July 2010. The registered office of the company "Orion House" is situated at 153-154 Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

The Company is listed both with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 20 March 2013.

1.01.2 Nature of Business

Orion Pharma Limited is engaged in the creation and discovery, development, manufacture and marketing of pharmaceutical products including vaccines and health-related consumer products.

1.02 Subsidiary Companies

1.02.1 Orion Power Meghnaghat Limited

Orion Power Meghnaghat Ltd. (IEL Consortium and Associate Ltd.) was incorporated on 30 June 2010 as a public limited company under the Companies Act, 1994 with authorized share capital of Tk. 4,000,000,000 divided into 400,000,000 Ordinary shares of Tk. 10 each. The company implemented a 100 MW HFO Power based Plant on quick rental basis in Meghnaghat, Dhaka with machineries and equipment supplied by Wartsila OY, Finland. The generated output of105 MW electricity is being regularly supplied to national grid. Orion Pharma Ltd. holds 95% of equity share of this company directly.

1.02.2 Dutch Bangla Power & Associates Limited

Dutch Bangla Power & Associates Limited was incorporated on 1 July 2010 as a public limited company under the Companies Act, 1994 with authorized share capital of Tk 1,000,000,000 divided into 100,000,000 ordinary shares of Tk. 10 each. The Company has been awarded by the Government of Bangladesh and BPDB to implement 100 MW HFO Power Plant on quick rental basis in Siddhirganj, Narayanganj with machineries and equipment supplied by Wartsila OY, Finland.The generated output of 105 MW electricity is being regularly supplied to national grid. Orion Pharma Ltd. holds 67% of equity share of this Company.

1.03 Associate Company

Orion Infusion Limited

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

The shares of the company listed with both in Dhaka and Chittagong Stock Exchange Ltd. of Bangladesh. Date of listing 05.10.1994. Orion Pharma Ltd. holds 21.76 % of equity share of this company directly.

2.00 Basis of Preparation and Presentation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Financial Reporting Standards (IFRSs), the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable.

2.02 Components of the Financial Statements

According to BAS-1 "Presentation of Financial Statements", the complete set of financial statements includes the following components-

i. Statement of Financial Position as at 30 June 2017;
ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017;
iii. Statement of Changes in Equity for the year ended 30 June 2017;
iv. Statement of Cash Flows for the year ended 30 June 2017; and
v. Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended 30 June 2017.

2.03 Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

2.04 Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Taka/Tk./BDT, which is the company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT. Further, the entire funds from financing activities are generated in BDT.

2.05 Comparative Information

Adjusting of Comparative Accounting Period based on Finance Act 2015

The accounting year of Orion Pharma Limited was for the period from January to December. To comply uniform year ending of all companies (except financial institutions) as on 30 June on the basis of amended law by section 2(35) of Income Tax Ordinance 1984 and Financial Act 2015, the Board of Directors of Orion Pharma Limited has decided to close the accounts as on 30 June. Therefore, these accounts have been prepared for the period from 1 January 2015 to 30 June 2016 which is being shown as same manner for comparative presentation for 18 (Eighteen) months.

Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.06 Reporting Period

The Financial period of the parent and subsidiary companies cover one year from 1 July 2016 to 30 June 2017.

2.07 Use of Estimates and Judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.08 Materiality, Aggregation and Off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of any asset or liability as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore.

2.09 Going Concern Review

As per 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 its operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

2.10 Date of Authorization

The financial statements were authorized for issue by the Board of Directors in its meeting held on 07 November 2017 for publication.

3.00 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Revenue
3.02 Property, Plant and Equipment
3.03 Borrowing Costs
3.04 Inventories
3.05 Cash and Cash Equivalents
3.06 Investment in Associates
3.07 Consolidated Financial Statements
3.08 Earnings per Share (EPS)
3.09 Foreign Currency Transactions
3.10 Employee Benefits
3.11 Provision, Accrued Expenses and Other Payables
3.12 Financial Instruments
3.13 Operating Segments
3.14 Statement of Cash Flows
3.15 Related Party Disclosures
3.16 Income Tax
3.17 Contingent Assets and Liabilities
3.18 Events after the Reporting Period

3.01 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements have pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest Income

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in other income in the Statement of Profit or Loss and other Comprehensive Income.

Dividends

Revenue is recognized when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Other Income recognized on accrual basis as per Bangladesh Accounting Standards (BASs).

3.02 Property, Plant and Equipment

Recognition and Measurement

An item shall be recognized as property, plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably in accordance with the provisions of BAS 16: Property, Plant and Equipment.

Property, plant and equipment are initially recognized at cost and subsequently land, buildings & civil constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as 'Repair & Maintenance' when it is incurred.

Depreciation on Property, Plant & Equipment

Depreciation is charged for full year in the year of acquisition under reducing balance method. Depreciation is charged on all PPE except land and land developments at the following rates:

Particular of Assets	Rate of Depreciation
Factory & Office Building	10%
Plant & Machinery	15%
Furniture and Fixtures	15%
Vehicles	20%
Office Equipment	15%
Laboratory Equipment	15%

Revaluation of Property, Plant and Equipment

Land, buildings & civil constructions and plant & machineries are subsequently measured at fair value. Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

On 31 December 2008 & 31 December 2011 the Company has made revaluation of the Company's Land and Land developments, Factory and Office Building and Plant and Machinery to reflect fair value thereof in terms Depreciated current cost thereof. Details of revaluation as on 31 December 2011 are as follows:

Particulars of the assets		Name of the Valuer	Qualification of the Valuer	Date of Revaluation	The carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
1.	Land and Land development	Syful Shamsul Alam & Co. (Statutory auditor at that year S.F. Ahmed & Co.)	Chartered Accountants	31 December 2011	1,167,752,249	2,340,699,850	1,172,947,601
2.	Factory and Office Building				144,440,015	198,198,786	53,758,771
3.	Plant and Machinery				130,512,146	177,645,275	47,133,129
					1,442,704,410	**2,716,543,911**	**1,273,839,501**

AMAR STOCK

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**

AMAR STOCK

The increase in the carrying amount of revalued assets is recognized in the separate component of equity under the head "Revaluation Surplus".

Other Fixed Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the Statement of Financial Position of the Company.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each Statement of Financial Position to determine whether there is any indication of impairment loss as per BAS 36: Impairment of Assets. If any such indication exists, recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

Disposal of Property, Plant and Equipment

An item of property, plant and equipment is removed from the statement of financial position when it is disposed of or when no future economic benefit is expected from its use or disposal. The gain or loss on the disposal of an item of property, plant and equipment is included in the Statement of Profit or Loss and Other Comprehensive Income of the year in which de-recognition occurs.

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.03 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.04 Inventories

Inventories are included in the financial statements at the lower of cost (including raw materials, direct labour, other direct costs and related production overheads) and net realizable value. Cost is generally determined on a first in, first out basis.

3.05 Cash and Cash Equivalents

Cash and cash equivalents consists of cash in hand and with banks on current, deposit accounts, short term investments and with brokerage house which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.06 Investment in Associates

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Equity Method has been followed in accordance with BAS 28 "Investments in Associates and Joint Ventures".

3.07 Consolidated Financial Statements

A parent prepares consolidated financial statements when it controls one or more other entities using uniform accounting policies like transactions and other events in similar circumstances as per BFRS 10 "Consolidated Financial Statements".

Consolidated financial statements:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

3.08 Earnings per Share (EPS)

The company calculates Earning Per Share (EPS) in accordance with BAS 33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note - 33 of the financial statements.

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.09 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of 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 Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

3.10 Employee Benefits Provision

Confirmed employees of the company are entitled to get provident fund where both the employee's and employer's contribution is respectively 10% which is recognized.

Workers' Profit Participation Fund (WPPF)

The Company provides 80% of 5% of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act 2006 as amended in 2013.

Remaining 20% of 5% is transferred equivalently to "Employee Welfare Fund" and "Bangladesh Workers Welfare Foundation".

3.11 Provisions, Accrued Expenses and Other Payables

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Other Payables are not interest bearing and are stated at their nominal value.

3.12 Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include available for sale assets, held to maturity assets, assets held for trading, loans and receivable and cash and cash equivalent.

Financial liabilities include borrowings, others financing and bank loan and accounts payables.

Recognition

An entity recognizes financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument.

Subsequent Measurement

Asset Category	Description	Measurement After Initial Recognition	Recognition
Available for sale Fixed Assets: 1. Investment in marketable securities. 2. Investment in Associates.	Financial assets that are either effectively designated into the category or do not fall into any other category.	Fair Value	i) Realized gain-loss/Dividend Income/Interest income to Statement of profit or loss and other comprehensive income. ii) Unrealized gain-loss to Statement of profit or loss and other Comprehensive Income.
Held to maturity of FDR	Financial assets with fixed maturities are classified as held to maturity.	Amortized cost using the EIR	Realized gain-loss/Interest Income to Statement of profit or loss and other Comprehensive Income
Loans and receivables: 1.Trade Receivable 2.Other Receivables	Unquoted financial assets with fixed or determinable payments.	Amortized cost/cost	Realized gain-loss/Interest Income foreign currency gain/ loss to Statement of profit or loss and other Comprehensive Income.
Financial liabilities at cost/amortized cost : 1. Short term loan. 2. Trade creditors 3. Others payables.	All financial liabilities other than those at fair value through profit or loss and other comprehensive income.	Amortized cost	Realized gain-loss/Interest Income foreign currency gain/ loss to Statement of profit or loss and other Comprehensive Income.

3.13 Operating Segments

No geographical segment reporting is applicable for the Company as required by BFRS 8: "Operating Segments", as the Company operates in a single geographical area.

3.14 Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS-7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of BAS-7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.15 Related Party Disclosures

As per Bangladesh Accounting Standards BAS-24 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in notes-35 in financial statements.

3.16 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.16.1 Current tax

Current tax expense has been recognized on the basis of the Finance Act 2017 and Income Tax Ordinance 1984.

3.16.2 Deferred tax

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount / reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. The deferred tax asset / income or liability / expense do not create a legal recoverability / liability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets / liabilities on revaluation surplus is included in the statement of Profit or Loss and other comprehensive income.

3.17 Contingent Assets and Liabilities

3.17.1 Contingent Assets

A Contingent asset is disclosed when it is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.17.2 Contingent Liabilities

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company has no contingent assets or liabilities which require disclosures under 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.

3.18 Events After the Reporting Period

As per BAS-10: 'Events after the Reporting Period', events after the reporting period that provide additional information about the company's position at the balance sheet date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

4.00 Risk Exposure

4.01 Interest Rate Risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The Company maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

4.02 Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

4.03 Industry Risk

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in pharmaceutical sector in Bangladesh. Furthermore there is untapped international market.

4.04 Market risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Management is fully aware of the market risk, and act accordingly. Market for pharmaceuticals, drugs and medicines in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

4.05 Operational risk

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks in costs and prices and also takes preventive measures therefore.

4.06 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle r meet its obligations on time or at a

Management perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date.

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
5.	**Property, Plant and Equipment**		
	Opening balance	14,058,343,412	14,906,497,266
	Add: Addition during the year	345,000,589	516,585,525
		14,403,344,001	**15,423,082,791**
	Less: Sales/Disposal during the year	-	(312,977,126)
		14,403,344,001	**15,110,105,665**
	Less: Depreciation charged during the year	(847,415,481)	(1,051,762,253)
	Written down value	**13,555,928,520**	**14,058,343,412**
	Details have been presented in Annexure - A. 1		
5a.	**Property, Plant and Equipment**		
	Opening balance	4,665,410,653	4,441,330,083
	Add: Addition during the year	338,499,645	510,763,109
		5,003,910,298	**4,952,093,192**
	Less: Sales/Disposal during the year	-	(159,075,000)
		5,003,910,298	**4,793,018,192**
	Less: Depreciation charged during the year	(182,027,107)	(127,607,539)
	Written down value	**4,821,883,191**	**4,665,410,653**
	Details have been presented in Annexure - A.2		
6.	**Construction work in progress**		
	Opening balance	1,591,424,708	1,210,675,986
	Add: Addition during the year	609,605,935	380,748,722
	Closing balance	**2,201,030,644**	**1,591,424,708**
6a	**Construction work in progress**		
	Opening balance	1,591,424,709	1,210,675,987
	Add: Addition during the year	609,605,935	380,748,722
	Closing balance	**2,201,030,644**	**1,591,424,709**

Payment made in relation to the construction of the factory building of Orion Pharma Limited at Siddirgonj, Narayangonj, installation of plant and machinery, their components and other fixed assets procured which is yet to be capitalized.

7. Investment in subsidiaries

Name of the Subsidiarie's company	No. of Shares	Share holding (%)		Amount in Tk.	
		30-Jun-17	30-Jun-16	30-Jun-17	30-Jun-16
Orion Power Meghnaghat Ltd.	95000000	95.00	95.00	950,000,000	950,000,000
Dutch Bangla Power & Associates Ltd.	6700000	67.00	67.00	67,000,000	67,000,000
Total				**1,017,000,000**	**1,017,000,000**

Investment in subsidiaries are stated at cost

8	**Investment in associates**		
	Orion Infusion Ltd.		
	Opening balance	319,403,000	188,275,000
	Add: Share of profit during the year (8.01)	6,777,900	25,339,600
	Less: Dividend during the year	(6,202,000)	(5,759,000)
	Add: Share of other comprehensive income	1,542,189	3,207,772
	Add: Fair value adjustment	(65,467,089)	108,339,628
		256,054,000	**319,403,000**
	Orion Infrastructure Ltd.		
	Opening balance	-	2,644,616,794
	Add: Share of profit during the year	-	1,895,301
		-	2,646,512,095
	Less: Disposed off	-	(529,302,419)
	Less: Transfer to Non-Quoted share	-	(2,117,209,676)
		-	-
		256,054,000	**319,403,000**
8.01	**Share of Profit from Associate**		
	Orion Infusion Ltd.	6,777,900	25,339,600
	Orion Infrastructure Ltd.	-	1,895,301
		6,777,900	**27,234,901**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
9.	**Other investment**		
	Investment in marketable securities (Note 9.1)	67,586,522	198,986,438
	Investment in non-Quoted Shares (Note 9.2)	2,118,455,676	2,118,455,676
		2,186,042,198	**2,317,442,114**
9.1	**Investment on marketable securities**		
	AB Investment Ltd.	48,022,572	43,568,732
	Southeast Bank Capital Services Ltd.	-	2,915,208
	Bank Asia Securities Ltd.	8,155,950	14,000,298
	Jahan Securities Ltd.	-	138,502,200
	LankaBangla Securities Ltd.	11,408,000	-
		67,586,522	**198,986,438**
	Details have been presented in Annexure - B		
9.2	**Investment in non-quoted share**		
	Orion Power Khulna Ltd.	500,000	500,000
	Orion Power Dhaka Ltd.	500,000	500,000
	ICB Islami Bank Ltd.	246,000	246,000
	Orion Infrastructure Ltd.	2,117,209,676	2,117,209,676
		2,118,455,676	**2,118,455,676**
10.	**Inventories**		
	Raw materials	105,022,645	81,447,058
	Packing materials	46,479,146	42,392,722
	Work-in-process	7,016,287	7,993,435
	Finished goods	58,000,363	124,584,082
	Stationary & promotional materials	10,683,911	5,193,229
	Goods in transit	139,267,851	51,971,277
	Mobil	24,837,356	30,762,351
	Spare parts	245,875,445	235,244,957
	Inventory HFO & LFO & OOSL	380,761,104	101,486,053
		1,017,944,110	**681,075,164**
10a	**Inventories**		
	Raw materials	105,022,645	81,447,058
	Packing materials	46,479,146	42,392,722
	Work-in-process	7,016,287	7,993,435
	Finished goods	58,000,363	124,584,082
	Stationary & promotional materials	10,683,911	5,193,229
	Goods in transit	47,259,089	38,339,558
		274,461,441	**299,950,084**
11.	**Trade & other receivables**		
	Trade receivables	1,952,608,177	1,618,127,644
	Other receivables (Note-11.1)	5,893,028,979	5,188,959,601
		7,845,637,156	**6,807,087,245**

Trade receivables are unsecured, considered good and recoverable 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:	**30-Jun-17**	**30-Jun-16**
Below 180 days	1,952,608,177	1,618,127,644
Above 180 days	-	-
	1,952,608,177	**1,618,127,644**

SL. No.	Particulars	Amount in Tk	
		30-Jun-17	30-Jun-16
I	Trade receivables considered good in respect of which the company is fully secured	1,952,608,177	1,618,127,644
II	Trade receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Trade receivables considered doubtful or bad	-	-
IV	Trade receivables due by any director or other officer of the company	-	-
V	Trade receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	**1,952,608,177**	**1,618,127,644**

As on 30 June 2017 the company did not make any provision on the trade receivable as was no indication of impairment.

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
11.1	**Other receivables**		
	Claim receivables, Insurance & others	6,897,812	580,506,269
	Divided receivable	6,202,000	-
	Interest on FDR	51,350	64,920
	Current account with other related companies (Note. 11.1.1)	5,879,877,817	4,608,388,412
		5,893,028,979	**5,188,959,601**

This is considered good and falling due within one year. No amount was due by the directors (including Managing Director), managing agent and other officers of the company.

11.1.1	**Current account with other related companies**		
	Noakhali Gold Foods Ltd.	21,000,000	20,000,000
	Orion Properties Ltd.	33,345,732	35,845,732
	Orion GAS Ltd.	74,500,000	72,500,000
	Orion Power Khulna Ltd.	1,025,452,649	1,021,254,094
	Orion Power Dhaka Ltd.	2,357,428,648	2,349,049,038
	Jafflong Tea Company Ltd.	2,538,415	-
	Orion Agro Products Ltd.	232,265,920	232,265,920
	Interior Accom Consortium Ltd.	155,495,459	151,995,459
	Digital Power & Associate Ltd.	191,546,343	90,873,689
	Orion Footware Ltd.	-	66,600,000
	Orion oil & Shipping Ltd.	196,203,389	43,963,331
	Panbo Bangla Mushroom Ltd.	83,824,685	74,000,000
	Orion Power Unit-2 Dhaka Ltd.	1,432,876,575	450,041,149
	Orion Footwear Ltd.	66,600,000	-
	Orion Home Appliance Ltd.	6,800,000	-
		5,879,877,817	**4,608,388,412**
11a	**Trade & other receivables**		
	Trade receivables	139,842,095	94,214,134
	Other receivables (Note - 11a.1)	4,993,158,254	4,680,671,959
		5,133,000,349	**4,774,886,093**

Trade receivables are unsecured, considered good and recoverable 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:	**30-Jun-17**	**30-Jun-16**
Below 180 days	139,842,095	94,214,134
Above 180 days	-	-
	139,842,095	**94,214,134**

SL No	Particulars	Amount in Tk	
		30-Jun-17	30-Jun-16
I	Trade receivables considered good in respect of which the company is fully secured	139,842,095	94,214,134
II	Trade receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Trade receivables considered doubtful or bad	-	-
IV	Trade receivables due by any director or other officer of the company	-	-
V	Trade receivables due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	**139,842,095**	**94,214,134**

As on 30 June 2017 the company did not make any provision on the trade receivable as was no indication of impairment.

11a.1	**Other receivables**		
	Claim receivables, Insurance & others	6,897,812	580,506,269
	Divided receivable	6,202,000	-
	Interest on FDR	51,350	64,920
	Current account with subsidiary (11a.1.1)	454,371,831	590,692,239
	Current account with other related companies (11a.1.2)	4,525,635,261	3,509,408,531
		4,993,158,254	**4,680,671,959**
11a.1.1	**Current account with subsidiaries**		
	Dutch Bangla Power & Associates Ltd.	454,371,831	590,692,239
		454,371,831	**590,692,239**

This is considered good and falling due within one year. No amount was due by the directors (including Managing Director), managing agent and other officers of the company.

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
11a.1.2	**Current account with other related companies**		
	Orion Properties Ltd.	20,331,532	20,331,532
	Orion Power Khulna Ltd.	986,021,913	986,021,913
	Orion Power Dhaka Ltd.	2,176,293,707	2,176,293,707
	Orion Power Unit -2 Dhaka Ltd.	1,002,726,730	-
	Orion Agro Product Ltd.	232,265,920	232,265,920
	Interior Accom Consortium Ltd.	107,995,459	94,495,459
		4,525,635,261	**3,509,408,531**
12.	**Advances, deposits and prepayments**		
	Advances:		
	Advance income tax (Note-12.1)	68,565,879	206,626,751
	Advance imprest money	233,150	206,000
	Motor cycle & car advance	20,765,286	22,037,740
	Collection advance	4,552,917	1,909,854
	Advance to C&F agents	6,403,973	13,298,418
	Advance to Supplier	111,217,796	89,728,155
	Advance against land purchase	325,000,000	320,000,000
	Advance against material loan	899,442	1,095,874
	Advance Office rent	4,974,540	3,868,361
	Advance against cash purchase	2,433,411	7,635,872
	Other advance	96,531,496	90,229,008
		641,577,890	**756,636,033**
	Deposits:		
	Earnest money	265,000	165,000
	Security deposit	31,376,440	29,578,212
	Bank guaranttee	76,322,285	44,860,000
	L/C margin	43,831,085	22,381,359
	VAT current account	695,400	324,609
	Lease deposit	17,944,218	14,258,361
		170,434,428	**111,567,541**
	Prepayments:		
	Insurance premium	1,237,532	284,215
	Security service	951,162	581,993
	Bank Guranttee,Commission & Charge	-	3,864,108
		2,188,694	**4,730,316**
		814,201,012	**872,933,890**
12.1	**Advance income tax**		
	Opening balance	206,626,751	167,214,584
	Add: Addition during the year	27,164,536	41,692,167
		233,791,287	**208,906,751**
	Less: Adjustment for previous years assessment	(165,225,408)	(2,280,000)
	Closing balance	**68,565,879**	**206,626,751**
12a	**Advances, deposits & prepayments**		
	Advances:		
	Advance income tax (Note -12a.1)	67,889,752	206,123,413
	Advance imprest money	233,150	206,000
	Motor cycle advance	18,917,055	19,713,765
	Advance - car loan	1,848,231	2,323,975
	Collection advance	4,552,917	1,909,854
	Advance to C&F agents	6,403,973	13,298,418
	Advance against material loan	899,442	1,095,874
	Advance office rent	4,974,540	3,868,361
	Advance against land purchase	325,000,000	320,000,000
	Advance against cash purchase	-	3,612,489
		430,719,060	**572,152,149**
	Advance paid to suppliers:		
	Machinery & equipment	85,540,489	69,626,231
	Electrical Equipment	82,000	-
		85,622,489	**69,626,231**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
	Deposits:		
	Earnest money	265,000	165,000
	Security deposit	31,376,440	29,578,212
	Bank guarantee	2,132,913	-
	VAT current account	695,400	324,609
	Lease deposit	17,486,818	14,038,461
		51,956,571	**44,106,282**
		568,298,120	**685,884,662**
	All advances, deposits and prepayments are considered regular and recoverable in the normal course of business.		
12a.1	**Advance income tax**		
	Opening balance	206,123,413	164,619,561
	Addition during the year	26,991,747	41,503,852
	Less: Adjustment for previous years assessment	(165,225,408)	-
	Closing balance	**67,889,752**	**206,123,413**
13.	**Fixed deposit with banks**		
	Social Islami Bank Ltd., Principal Branch, Dhaka.	7,145,845	6,757,702
		7,145,845	**6,757,702**
	Details have been presented in Annexure -C		
14.	**Cash & cash equivalents**		
	Cash in hand (Note -14.1)	8,810,480	7,693,161
	Cash at B/O Account (Note -14.2)	96,982	65,107
	Balance with banks on account	**269,895,508**	**227,679,756**
	Current account	268,976,639	215,397,292
	Short term deposit account	918,869	12,282,464
		278,802,970	**235,438,024**
14.1	**Cash in hand**		
	Head office	2,587,613	4,463,900
	Depot office	6,222,867	3,229,261
		8,810,480	**7,693,161**
14.2	**Cash at B/O Account**		
	Bank Asia Securities Ltd.	16,633	5,693
	Jahan Securities Ltd.	4,224	12,039
	Southeast Bank Capital Services Ltd.	-	47,375
	LankaBangla Securities Ltd.	76,125	-
		96,982	**65,107**
14a	**Cash and cash equivalents**		
	Cash in hand (Note -14a.1)	8,144,698	5,990,147
	Cash at B/O Account (Note -14a.2)	96,982	65,107
		8,241,680	**6,055,254**
	Cash at Bank:		
	Current account	62,103,786	14,937,436
	Short Term deposit account	918,869	12,282,464
	Details have been presented in Annexure D	**63,022,655**	**27,219,900**
		71,264,335	**33,275,154**
14a.1	**Cash in hand**		
	Head office - central cash & main cash	1,921,831	2,760,886
	Depot office - petty cash	6,222,867	3,229,261
		8,144,698	**5,990,147**
14a.2	**Cash at B/O Account**		
	Bank Asia Securities Ltd.	16,633	5,693
	Jahan Securities Ltd.	4,224	12,039
	Southeast Bank Capital Services Ltd.	-	47,375
	LankaBangla Securities Ltd.	76,125	-
		96,982	**65,107**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)

15. Share capital

Authorized capital

500,000,000 ordinary shares of Tk. 10 each	**5,000,000,000**	**5,000,000,000**

Issued, subscribed and paid-up capital

234,000,000 ordinary shares of Tk. 10 each	**2,340,000,000**	**2,340,000,000**

Shareholding position of the company

Range of shareholding	Number of shares	Number of sharholders	Holding %	
			30-Jun-17	30-Jun-16
Up to 500 Shares	4,426,967	40,018	1.89	2.50
501 to 5,000 Shares	12,770,919	6,549	5.46	6.24
5001 to 10,000 Shares	8,809,676	1,219	3.76	4.37
10,001 to 20,000 Shares	8,511,571	606	3.64	4.50
20,001 to above	199,480,867	471	85.25	82.38
Total	**234,000,000**	**48,863**	**100.00**	**100.00**

Categories of shareholders	Number of shares	Number of shareholders	Holding %	
			30-Jun-17	30-Jun-16
Sponsors	74,841,600	5	31.98	32.00
Foreign Investor	9,461,318	310	4.04	3.00
Financial institutions	95,829,829	313	40.95	36.00
General public	53,876,253	48,235	23.02	28.00
Total	**234,000,000**	**48,863**	**100.00**	**100.00**

Orion Power Meghnaghat Ltd.	Number of shares	30-Jun-17		30-Jun-16	
		Face value	% of total	Face value	% of total
Orion Pharma Ltd.	95,000,000	950,000,000	95.00%	950,000,000	95.00%
Integral Energy Ltd.	3,000,000	30,000,000	3.00%	30,000,000	3.00%
Jafflong Tea Company Ltd.	500,000	5,000,000	0.50%	5,000,000	0.50%
Mr. Mohammad Obaidul Karim	500,000	5,000,000	0.50%	5,000,000	0.50%
Mr. Salman Obaidul Karim	500,000	5,000,000	0.50%	5,000,000	0.50%
Mrs. Arzuda Karim	350,000	3,500,000	0.35%	3,500,000	0.35%
Mrs. Nudrat S Karim	100,000	1,000,000	0.10%	1,000,000	0.10%
Haarhuis Generation B.V.	50,000	500,000	0.05%	500,000	0.05%
Total	**100,000,000**	**1,000,000,000**	**100%**	**1,000,000,000**	**100%**

Dutch Bangla Power & Associates Ltd.	Number of shares	30-Jun-17		30-Jun-16	
		Face value in BDT	% of total holding	Face value in BDT	% of total holding
Orion Pharma Ltd.	6,700,000	67,000,000	67.00%	67,000,000	67.00%
Shenzhen Nanshan Power Co. Ltd.	50,000	500,000	0.50%	500,000	0.50%
Mohammad Obaidul Karim	100,000	1,000,000	1.00%	1,000,000	1.00%
Salman Obaidul Karim	3,087,500	30,875,000	30.88%	30,875,000	30.88%
Mrs. Nudrat S Karim	50,000	500,000	0.50%	500,000	0.50%
Jafflong Tea Co. Ltd.	2,500	25,000	0.03%	25,000	0.03%
Mrs. Arzuda Karim	10,000	100,000	0.10%	100,000	0.10%
Total	**10,000,000**	**100,000,000**	**100%**	**100,000,000**	**100%**

16. Reserves

Fair value gain on investment in associates (Note -16.1)	177,928,288	243,395,377
Fair value gain / loss on marketable securities (Note -16.2)	(4,169,879)	8,782,250
Share of other comprehensive income (Note - 16.3)	7,179,592	5,637,403
Revaluation surplus on property, plant and equipment (Note -16.4)	1,795,623,161	1,825,424,517
Total	**1,976,561,162**	**2,083,239,547**

16.1 Fair value gain on investment in associates

Opening balance	243,395,377	86,196,341
Fair value gain/ (loss) during the year	(65,467,089)	108,339,628
Add: Adjustment for losing control of Subsidiaries	-	48,859,408
	177,928,288	**243,395,377**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
16.2	**Fair value gain/(loss) on marketable securities**		
	Opening balance	8,782,250	(39,892,770)
	Adjustment of sale of Mkt. securities	(4,913,971)	9,348,625
	Fair Value gain/ (loss) on Marketable securities D/Y (Note - 16.2.1)	(9,477,284)	44,734,731
	Transfer to differed tax assets/(liabilities)	1,439,126	(5,408,336)
		(4,169,879)	**8,782,250**
16.2.1	**Fair value gain/(loss) on marketable securities during the year**		
	Unrealized Gain/(Loss) position (Closing)	(4,633,198)	9,758,057
	Unrealized Gain/(Loss) position (Opening)	9,758,057	(44,325,300)
	Total change during the period	(14,391,255)	54,083,357
	Fair Value adjustment for sale of Securities (Realized Loss)	4,913,971	(9,348,625)
	Unrealized Gain/(Loss) during the year	**(9,477,284)**	**44,734,731**
16.3	**Share of other Comprehensive income**		
	Opening Balance	5,637,403	2,305,758
	Add: Addition during the year	1,542,189	3,207,772
	Add: Adjustment for losing control of Subsidiries	-	123,873
		7,179,592	**5,637,403**
16.4	**Revaluation surplus on property, plant & equipment**		
	Opening balance	1,825,424,517	1,965,173,425
	Adjustment for sale of land	-	(92,062,711)
	Adjustment during the year to retained earnings	(32,226,517)	(51,901,300)
	Adjustment of deferred tax liabilities	2,425,161	4,215,103
		1,795,623,161	**1,825,424,517**
16a	**Reserve**		
	Fair value gain on investment in associates (Note - 16a.1)	177,928,288	243,395,377
	Fair value gain/(loss) on marketable securities (Note - 16a.2)	(4,169,879)	8,782,250
	Share of other comprehensive income (Note - 16a.3)	7,179,592	5,637,403
	Revaluation surplus on property, plant & equipment (Note - 16a.4)	1,364,107,940	1,377,850,518
		1,545,045,941	**1,635,665,548**
16a.1	**Fair value gain on investment in associates**		
	Opening balance	243,395,377	135,055,749
	Fair value gain/ (loss) during the year	(65,467,089)	108,339,628
		177,928,288	**243,395,377**
16a.2	**Fair value gain/(loss) on marketable securities**		
	Opening balance	8,782,250	(39,892,770)
	Adjustment of sale of Mkt. securities	(4,913,971)	9,348,625
	Fair Value gain/ (loss) on Marketable securities D/Y (Note - 16a.2.1)	(9,477,284)	44,734,732
	Transfer to deffered tax assets/(liabilities)	1,439,126	(5,408,336)
		(4,169,879)	**8,782,250**
16a.2.1	**Fair value gain/(loss) on marketable securities during the year**		
	Unrealized Gain/(Loss) position (Closing)	(4,633,198)	9,758,057
	Unrealized Gain/(Loss) position (Opening)	9,758,057	(44,325,300)
	Fair Value adjustment for sale of Securities Realized Gain/(Loss)	4,913,971	(9,348,625)
	Unrealized Gain/(Loss) during the year	**(9,477,284)**	**44,734,732**
16a.3	**Share of other Comprehensive income**		
	Opening Balance	5,637,403	2,429,631
	Add: Addition during the year	1,542,189	3,207,772
		7,179,592	**5,637,403**
16a.4	**Revaluation surplus on property, plant & equipment**		
	Opening balance	1,377,850,518	1,493,798,807
	Adjustment for sale of land	-	(92,062,711)
	Adjustment during the year to retained earnings	(16,167,739)	(28,100,681)
	Adjustment of deferred tax liabilities	2,425,161	4,215,103
		1,364,107,940	**1,377,850,518**

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Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
17	**Retained Earnings**		
	Opening Balance	3,937,687,989	3,423,244,972
	Prior year adjustment	(144,344,718)	(499,078,050)
	Restated opening balance	**3,793,343,271**	**2,924,166,922**
	Net Profit after tax	794,495,811	1,323,072,165
	Dividend for the year	(351,000,000)	(351,000,000)
	Adjustment for Depreciation on Revaluation Surplus	32,226,517	51,901,300
	Adjustment for loss of control from Subsidiaries	-	(10,452,398)
		4,269,065,599	**3,937,687,989**
17.a	**Retained Earnings**		
	Opening Balance	1,199,115,795	1,259,012,918
	Prior year adjustment	(144,629,157)	7,862,118
	Net Profit after tax	145,256,528	255,140,079
	Dividend for the year	(351,000,000)	(351,000,000)
	Adjustment for Depreciation on Revaluation Surplus	16,167,739	28,100,680
		864,910,905	**1,199,115,795**
18.	**Non controlling interest**	-	
	Opening balance	838,306,456	758,018,457
	Prior year adjustment	(284,433)	(147,550,931)
		838,022,023	610,467,526
	Share of operating profit	124,593,398	229,122,052
	Less: Adjustment for losing control of Subsidiaries	-	(1,283,122)
	Closing balance	**962,615,421**	**838,306,456**
19	**Long term loan**		
	Syndicated loan and other long term loan (Note 19.1)	4,411,802,572	5,163,361,839
	Working capital loan (Note 19.2)	16,486,877	34,029,405
		4,428,289,449	**5,197,391,244**
19.1	**Syndicated loan and other long term loan**		
	Agrani Bank Ltd. Principal. Br.	172,712,238	150,145,341
	Janata Bank Ltd.	163,814,937	142,984,182
	Term Loan -Union Capital Ltd.	100,000,000	100,000,000
	Term Loan - AB Bank Ltd.	342,117,392	336,540,503
	PAD - AB Bank Ltd.	17,805,327	1,770,001
	GSP Finance Ltd.	-	251,335,949
	Term Loan -Agrani Bank Ltd.	472,952,399	522,227,290
	Term Loan Premier Bank Ltd.	488,400,000	-
	Phoenix Finance & Investment Ltd.	284,247,042	271,956,715
	Mashreq bank PSC	1,716,120,000	2,661,200,000
	BD Finance Ltd.	124,603,026	175,301,858
	International leasing and financial services Ltd.	490,655,358	500,000,000
	Meridian finance & Investment Ltd.	38,374,853	49,900,000
		4,411,802,572	**5,163,361,839**
	Details have been presented in annexure- G		
19.2	**Working capital loan**		
	CC (H) ABL	16,486,877	34,029,405
		16,486,877	**34,029,405**
19.a	**Long term loan**		
	BD Finance Ltd.	124,603,026	175,301,858
	International leasing and Financial Services Ltd.	490,655,358	500,000,000
	Meridian Finance & Investment Ltd.	38,374,853	49,900,000
	Phoenix Finance & Investment Ltd.	284,247,042	271,956,715
		937,880,279	**997,158,573**

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Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
20	**Employee benefits**		
	Employee welfare fund (Note -20.1)	3,748,157	3,380,539
	Bangladesh workers welfare foundation (Note -20.2)	2,412,755	1,484,029
	Workers profit participation fund (Note -20.3)	17,505,227	15,125,389
		23,666,139	**19,989,957**
20.1	**Employee welfare fund**		
	Opening balance	3,380,539	1,896,510
	Add: Addition for the year	928,726	1,484,029
	Less: Payment during the year	(561,108)	-
		3,748,157	**3,380,539**
20.2	**Bangladesh workers welfare foundation**		
	Opening balance	1,484,029	-
	Add: Addition for the year	928,726	1,484,029
		2,412,755	**1,484,029**
20.3	**Workers profit participation fund**		
	Opening balance	15,125,389	14,905,767
	Add: Addition for the year	7,429,808	11,872,238
	Less: Payment during the year	(5,049,970)	(11,652,616)
		17,505,227	**15,125,389**

Allocation of profit @ 5% of net profit before tax after charging as per labour law 2013 (Amended), whereas 80% charge to "Workers profit participation fund" 10% to "Employee welfare fund" and 10% to "Bangladesh workers welfare foundation".

21	**Deferred tax liability**		
	Opening balance	74,536,715	73,419,092
	Adjustment for deferred tax expenses /(Income) (Note-21.1)	9,115,079	(75,610)
	Adjustment for deferred tax on revaluation surplus (Note-21.2)	(3,864,287)	1,193,233
		79,787,507	**74,536,715**

21.1 Deferred tax Expenses / (Income)

Particular	Tax base	Accounting base	Amount in Taka: Taxable temporary difference	Amount in Taka: Deferred tax liability as on 30.06.2017
Written down value of property, plant and equipment	795,757,269	874,263,520	(78,506,251)	(19,626,563)

Closing deferred tax liability	19,626,563	10,511,484
Opening deferred tax liability	10,511,484	10,587,094
Deferred tax Expenses/(income)	**9,115,079**	**(75,610)**

21.02	**Adjustment of deferred tax on revaluation Surplus**	
	Deferred tax liability on revaluation surplus (Closing) (Note-21.02.01)	57,399,063	61,263,350
	Deferred tax liability on revaluation surplus (Opening)	61,263,350	62,831,998
	Prior year adjustment	-	(2,761,881)
	Deferred tax Expenses/(income)	**(3,864,287)**	**1,193,233**

21.02.01 Adjustment of Deferred Tax on Revaluation Surplus

Particulars	WDV as at 30 June 2017: Tax Base	WDV as at 30 June 2017: Accounting Base	Taxable Temporary Difference	Deferred Tax Liability as on 30.06.2017
Revaluation reserved on Land & Land Development	-	1,298,728,729	1,298,728,729	38,961,862
Revaluation reserved Factory & Office Building	-	92,842,957	92,842,957	13,926,444
Revaluation reserved Plant & Machinery	-	33,160,516	33,160,516	4,974,077
Revaluation reserve on marketable securities	-	(4,633,198)	(4,633,198)	(463,320)
				57,399,063

22	**Short term loan**	
	Cash credit (Hypo) Agrani Bank Ltd. (WASA Corp.Branch)	360,396,068	340,334,628
	Loan against marketable securities	72,800,768	121,628,723
	SIBL - loan on L/C (Principle branch)	488,445,103	-
	LTR Agrani Bank Ltd. (WASA Corporate Branch, Dhaka)	93,351,000	99,861,873
	AL-Arafa Islami Bank Ltd.	814,119,667	-
		1,829,112,606	**561,825,224**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
23	**Trade and other payables**		
	Goods suppliers & manufacturer	2,373,938,161	531,519,407
	Other payable	406,801,108	310,821,043
	Current account with inter company (Note -23.1)	109,472,779	1,131,013,529
		2,890,212,047	**1,973,353,979**
23.1	**Current account with inter company**		
	Orion Oil & Shipping Ltd.	-	14,864,865
	Orion Pharma Ltd.	-	590,692,239
	Orion Power Megnaghat Ltd.	-	435,074,432
	Interior Accom Consortium Ltd.	31,157,000	-
	Orion Capital Ltd.	18,420,000	27,820,000
	Digital Power & Associates Ltd	59,895,779	62,561,993
		109,472,779	**1,131,013,529**
	These are unsecured and payable within one year.		
23a	**Trade and other payables**		
	Goods suppliers & manufacturer	158,197,227	128,770,904
	Other payables	359,026,858	302,724,428
		517,224,085	**431,495,332**
24.	**Accrued expenses**		
	Salary and wages payable	68,817,411	61,218,835
	Depot expenses payable	1,766,173	-
	Director remuneration payable	2,250,000	10,500,667
	Telephone & mobile bill payable	1,289,467	221,563
	Payable for final settlement of employee	9,041,685	11,609,596
	Utilities payable	1,664,623	1,328,922
	Provision for income tax (Note 24.1)	318,562,703	392,767,473
	Corporeate governance audit fees	57,500	-
	Audit fee	1,150,000	920,000
	Motorcycle expenses	-	453,936
	Interest on preference share	178,082,194	148,082,194
	Retention money	3,618,657	3,618,657
	Govt. revenue coll. Acc	-	18,830,406
	Retirement benefit- P.F.	17,786,227	12,223,134
	Provission for gratuity	9,470,053	6,210,768
	Lease Finance- Phonix Finance	6,236,309	2,117,412
	Deduction against private car	-	297,975
	Interest payable on syndicate loan	58,570,091	526,113,838
	Withholding VAT	16,032,989	4,406,998
	Withholding tax	8,782,854	2,354,184
		703,178,936	**1,203,276,558**
24.1	**Provision for income tax**		
	Opening balance	392,767,473	415,710,512
	Less: Prior year adjustment	-	(7,862,118)
	Restated Opening Balance	392,767,473	407,848,394
	Add: Addition during the year	38,151,481	68,976,332
	Less: Payment/AIT adjustment during the year	(112,356,251)	(81,177,253)
	Less: Adjustment for Losing Control of Subsidiary	-	(2,880,000)
		318,562,703	**392,767,473**
24a	**Accrued expenses**		
	Salary and wages payable	47,318,485	26,740,437
	Depot expenses payable	1,766,173	-
	Director remuneration payable	1,500,000	1,500,667
	Telephone & mobile bill payable	1,289,467	221,563
	Payable for final settlement of employee	9,041,685	11,512,004
	Utilities payable	1,664,623	1,328,922
	Provision for income tax (Note - 24a.1)	318,562,703	392,767,473
	Corporeate governance audit fees	57,500	-
	Audit fee	460,000	230,000
	Motorcycle expenses	-	453,936
		381,660,636	**434,755,003**
	These are unsecured & is payable within one year.		

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
24a.1	**Provision for income tax**		
	Opening balance	392,767,473	412,830,512
	Less: Prior year adjustment	-	(7,862,118)
	Restated Opening Balance	392,767,473	404,968,394
	Add: Addition during the year	38,151,481	68,976,332
		430,918,954	**473,944,726**
	Less: Payment/AIT adjustment during the year	(112,356,251)	(81,177,253)
	Closing balance	**318,562,703**	**392,767,473**
	Opening balance of provision for income tax has been restated due to reduce the corporate tax rate.		
25	**Revenue from net sales**		
	Local sales	1,886,615,036	2,342,904,106
	Export sales	109,428,663	106,907,545
	Gain / (Loss) in exchange rate fluctuation	262,516	144,431
	Revenue from power generation (Note-25.1)	7,538,038,980	12,349,787,353
		9,534,345,195	**14,799,743,435**
25.1	**Revenue from power generation**		
	Fixed rental charge	2,478,723,936	4,185,901,067
	Variable energy payment	256,833,596	432,986,783
	Hyper furnace oil (HFO)-BPDB	4,989,467	1,967,184,235
	Hyper furnace oil (HFO)-OOSL	4,797,484,868	5,790,774,868
	Gain / (Loss) on Foreign Exchange transaction	7,113	(27,059,600)
		7,538,038,980	**12,349,787,353**
25a	**Revenue from net sales**		
	Local sales	1,886,615,036	2,342,904,106
	Export sales	109,428,663	106,907,545
	Gain / (Loss) on Foreign Exchange transaction	262,516	144,431
		1,996,306,215	**2,449,956,082**
26	**Cost of goods sold**		
	Raw materials consumed (Note - 26.1)	353,911,894	563,866,059
	Packing materials consumed (Note - 26.2)	175,884,340	258,334,631
	Work in process - opening	7,993,435	10,350,239
	Work in process - closing	(7,016,287)	(7,993,435)
	Total consumption	**530,773,382**	**824,557,493**
	Factory overhead (Note - 26.3)	299,084,054	300,884,832
	Cost of goods manufactured	**829,857,436**	**1,125,442,326**
	Add: Opening stock of finished goods	124,584,082	100,973,623
	Cost of goods available for sale	**954,441,518**	**1,226,415,949**
	Less: Closing stock of finished foods	(58,000,363)	(124,584,082)
	Less: Cost of physician sample	(11,286,652)	(13,315,637)
	Cost of goods sold	**885,154,503**	**1,088,516,230**
26.1	**Raw materials consumed**		
	Opening stock	81,447,058	93,347,483
	Add: Purchase during the year	377,487,481	551,965,634
	Goods Available for use	458,934,539	645,313,117
	Less: Closing stock	(105,022,645)	(81,447,058)
	Consumed during the year	**353,911,894**	**563,866,059**
26.2	**Packing materials consumed**		
	Opening stock	42,392,722	44,351,184
	Add: Purchase during the year	179,970,764	256,376,169
	Goods available for use	222,363,486	300,727,353
	Less: Closing stock	(46,479,146)	(42,392,722)
	Consumed during the year	**175,884,340**	**258,334,631**

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Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
26.3	**Factory overhead**		
	Salaries, wages & other allowances	97,959,871	116,980,690
	Travelling & conveyance	4,407,644	7,747,031
	Entertainment	2,040,094	2,244,103
	Worker's food expenses	19,811,099	28,321,701
	Uniform, liveries & others	197,965	224,750
	Godown rent	2,566,316	2,805,153
	Utilities	11,037,994	16,449,119
	Cleaning & washing	89,126	429,597
	Carrying inward	727,377	996,200
	Postage, telephone & others	418,124	570,457
	Fuel & lubricants	4,019,146	5,047,686
	Fees & taxes	232,842	111,503
	Books & periodicals	22,632	35,698
	Printing & stationery	5,617,441	7,084,543
	Insurance premium	1,331,121	1,693,330
	Repair & maintenance	8,828,120	10,395,191
	Depreciation	137,426,414	96,938,350
	Lease rent	557,688	1,621,459
	Research & development	635,420	522,759
	Spare parts	884,207	157,382
	Security services	273,413	508,129
		299,084,054	**300,884,832**
27.	**Cost of power generation**		
	Materials		
	Hyper furnace oil (HFO)	4,967,001,823	7,998,768,834
	Mobil	125,684,275	210,620,635
		5,092,686,098	**8,209,389,469**
	Plant overhead		
	O & M service	125,802,260	201,540,134
	Salaries & allowances	133,235,005	177,737,608
	Entertainment	1,781,600	2,841,183
	Plant office transport	3,002,434	4,029,994
	Plant office utilities	879,378	1,439,165
	Plant office communication	2,221,385	4,440,082
	Stationary, accessories & supplies	2,007,905	1,910,575
	Security service	12,858,177	15,132,907
	Repair & maintenance	174,236,091	247,091,745
	Insurance, taxes & duties	40,303	188,950
	Liquidity demarage	-	31,865,066
	Depreciation	665,388,371	924,179,798
	Miscellaneous exp.	15,605,801	26,905,561
	Test & others	195,950	1,273,643
		1,137,254,660	**1,640,576,411**
		-	
		6,229,940,758	**9,849,965,880**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
28.	**General and administrative expenses**		
	Salaries, allowance & bonus	93,193,854	113,397,138
	Director's remuneration	30,070,000	44,833,002
	Fuel & lubricants	3,872,522	3,799,873
	Traveling & conveyance	7,705,452	13,483,335
	Entertainment	1,940,577	2,189,793
	Office rent	7,969,728	10,443,960
	Cleaning & washing	4,396,144	5,247,788
	Utilities	7,289,224	7,788,822
	Postages, telephone & fax	4,259,019	5,377,628
	Bank charges & commission	1,020,438	1,866,505
	Fees and taxes	7,327,127	18,275,599
	Fooding & other expenses	17,337,031	21,699,544
	Software consultancy & other fees	3,815,651	11,530,795
	Books & periodicals	86,200	119,984
	Printing & stationery	3,200,564	3,091,248
	Repairs & maintenance	4,855,958	6,492,462
	Depreciation	33,701,614	19,828,922
	Lease rent	7,680,012	11,808,820
	Audit fees	1,150,000	2,070,000
	Corporate governance audit fees	57,500	57,500
	Overseas travel & training expenses	7,662,002	10,120,542
	Insurance premium	1,334,484	1,539,714
	Miscellaneous expenses	9,643,778	91,080
	AGM expenses	812,995	1,195,167
	Security guard expenses	900,399	1,224,636
	Advertisement and publicity	6,564,493	35,825,876
	CSR	6,200,000	7,000,000
		274,046,766	**360,399,732**
28a	**General and administrative expenses**		
	Salaries, allowances & bonus	93,193,854	113,397,138
	Directors' remuneration	18,070,000	26,833,002
	Fuel & lubricants	3,872,522	3,799,873
	Travelling & conveyance	2,637,138	3,050,843
	Entertainment	1,940,577	2,189,793
	Office rent	7,969,728	10,443,960
	Cleaning & washing	4,396,144	5,247,788
	Utilities	7,289,224	7,788,822
	Postage, telephone & others	4,259,019	5,377,628
	Bank charges & commission	1,020,438	1,866,505
	Fees & taxes	4,936,640	5,222,786
	Fooding expenses	7,511,059	10,278,079
	Software consultancy & others	2,787,421	4,573,421
	Books & periodicals	86,200	119,984
	Printing & stationery	3,200,564	3,091,248
	Repair & maintenance	4,855,958	6,492,462
	Depreciation	33,701,614	19,828,922
	Lease rent	7,680,012	11,808,820
	Audit fees	460,000	690,000
	Corporate governance audit fees	57,500	57,500
	Overseas travel & training expenses	7,662,002	10,120,542
	Insurance premium	1,051,519	1,539,714
	Miscellaneous expenses	171,440	91,080
	AGM expenses	812,995	1,195,167
	Security services	900,399	1,224,636
	Advertisement & Publicity	367,545	-
		220,891,512	**256,329,712**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
29.	**Selling and distribution expenses**		
	Salaries, allowances & bonus	300,785,430	362,310,444
	Field force TA/DA	60,384,791	74,221,327
	Printing & stationery	8,619,645	9,876,834
	Postage, telephone & others	9,348,893	14,374,641
	Fooding expenses	2,085,402	2,310,263
	Product renewal & development	1,255,782	2,599,721
	Software consultancy & others	4,485,000	5,910,000
	Training & conference	6,436,042	6,459,472
	Office rent (Depot)	9,428,250	11,062,278
	Repair & maintenance	705,395	1,004,775
	Travelling & conveyance	1,074,145	1,608,579
	Bank charges & commission	1,638,753	2,346,821
	Carrying & distribution expenses	27,892,338	35,543,841
	Entertainment	995,168	1,217,764
	Promotional materials	18,098,076	29,282,392
	Sample expenses	11,286,652	13,315,636
	Export expenses	1,577,007	2,339,999
	Depreciation	10,899,079	10,840,266
	Lease rent	9,196,776	17,186,920
	Fuel & lubricants	2,136,936	2,473,510
	Fees & taxes	918,334	872,534
	Overseas traveling & training	1,093,712	1,587,569
	Security services	1,512,561	1,698,499
	Utilities	1,293,525	3,729,651
	Insurance premium	2,404,488	3,146,457
	Books & periodicals	95,820	76,290
	Advertisement & Publicity	2,127,343	1,452,186
		497,775,342	**618,848,668**
30.	**Finance cost**		
	Cash Credit (H) - 48, Agrani Bank Ltd.(WASA Corpt.Branch,Dhaka)	41,739,435	71,251,943
	LTR Loan - Agrani Bank Ltd.	14,746,877	21,734,157
	Interest on Portfolio credit & Others	-	13,580,072
	Interest on SOD loan- Agrani Bank Ltd.	-	9,032,135
	Interest on Loan- BD Finance Ltd.	25,265,480	51,874,942
	Interest on Loan- Phoenix Finance Investment Ltd.	47,388,450	23,791,203
	Interest on loan- ILFSL	56,605,533	30,208,335
	Interest on Syndicate loan	-	623,640,267
	ICB Interest	-	136,041,895
	Bank Charge ,commission & Fees	14,877,182	66,903,719
	Decommissioning interest	-	21,427,830
	Agency fee long term borrowings	-	6,088,729
	Interest expenses - working capital loan	-	17,879,180
	Interest on redeemable Preference Share	75,000,000	226,715,692
	Meridian Finance & Investment Ltd.	5,445,960	-
	AL-Arafa Islami Bank Ltd.	16,119,667	-
	Interest Expense - Mashreq PSC	107,765,308	-
	Loan Processing fees	62,585,840	-
	Interest Expenses- Lesae Finance (Phoneix Finance)	121,056	-
	Interest on Long Term Borrowing	220,760,900	-
		688,421,688	**1,320,170,101**
30a	**Financial Expenses**		
	Cash credit (H) - 48, Agrani Bank Ltd.(WASA corpt. Branch, Dhaka)	41,739,435	71,251,943
	LTR loan - Agrani Bank Ltd.	14,746,877	21,734,157
	Interest on portfolio credit & Others	-	13,580,072
	Interest on SOD loan- Agrani Bank Ltd.	-	9,032,135
	Interest on Loan- Phoenix Finance & Investment Ltd.	47,388,450	23,791,203
	Interest on loan- ILFSL	56,605,533	30,208,335
	Interest on Loan- BD Finance Ltd.	25,265,480	51,874,942
	Meridian Finance & Investment Ltd.	5,445,960	-
	AL-Arafa Islami Bank Ltd.	16,119,667	-
		207,311,402	**221,472,787**

Notes	Particulars	Amount in Taka	
		30-Jun-17 (12 Months)	30-Jun-16 (18 Months)
31	**Interest and other income**		
	Interest income	**776,372**	**48,171,058**
	Interest on FDR	417,699	19,581,625
	Bank interest	358,673	28,589,433
	Others income	**9,082,619**	**(1,313,548)**
	Dividend income	1,918,911	2,045,889
	Insurance claim received	475,990	1,033,811
	Sale of scrap & others	1,773,747	4,955,378
	Gain /(loss) on sale of marketable securities (Note 31.01)	4,913,971	(9,348,625)
		9,858,991	**46,857,510**
31 .01	**Income on Sale of Marketable Securities:**		
	Gain /(loss) on sale of marketable securities	15,495,262	-
	Interest on portfolio credit and others	(10,581,291)	
		4,913,971	**-**

32 Income tax provision

Particulars	Taxable income	Amount in Taka	
		30 June 2017	30 June 2016
25% income tax on taxable profit	119,338,107	29,834,527	63,964,326
Half of 25% Income tax on export net profit	59,574,198	7,446,775	5,112,839
10% Income tax on gain /(loss) on sale of marketable securities	4,913,971	491,397	-
20% income tax on dividend received (Less exempted tk. 25,000)	1,918,911	378,782	409,178
Total	**185,745,188**	**38,151,481**	**68,976,332**

33.	**Earnings per share (EPS)**		
	The computation is given below:		
	EPS		
	Net profit after tax	794,495,811	1,323,072,165
	Weighted average ordinary shares outstanding during the year	234,000,000	234,000,000
	Earning per share	**3.40**	**5.65**
33a	**Earnings per share**		
	EPS :		
	The computation is given below:		
	Net profit after tax	145,256,528	255,140,079
	Weighted average ordinary shares outstanding during the year	234,000,000	234,000,000
	Earnings per share	**0.62**	**1.09**

During the reporting year the company didn't issued any share. Hence no requrired to calculate weighted average.

34. Segmental information

The Groups Operational Segments are pharmaceuticals and power. The Operational segments results are as follows:

Particulars	Pharmaceuticals	Power	Total
Revenue from sales	1,996,306,215	7,538,038,980	9,534,345,195
Expenses	(1,603,821,357)	(6,283,096,012)	(7,886,917,369)
Segment result	**392,484,858**	**1,254,942,968**	**1,647,427,826**
Capital expenditure			
Additions to property, plant & equipment	338,499,645	6,500,944	345,000,589
Other segment information			
Interest & other income	9,858,991	-	9,858,991
Financial cost	207,311,402	481,110,287	688,421,688
Provision for income tax	(38,151,481)	-	(38,151,481)
Share of profit from associate	6,777,900	-	6,777,900
Depreciation expenses	182,027,107	665,388,374	847,415,481
Segment assets	**15,064,808,291**	**13,097,978,164**	**28,162,786,455**
Segment liabilities	**3,769,331,252**	**7,282,692,827**	**11,052,024,079**

35. Related party transactions

35.01 The Company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". The Company opines that terms of related party transactions do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30 June 2017 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2016	Addition	Adjustment	Closing Balance as on 30.06.2017
Orion Power Meghnaghat Ltd. (95,000,000 Ordinary Shares @ TK 10 Each)	Subsidiary	Investment in Shares	950,000,000	-	-	950,000,000
Dutch Bangla Power & Associates Ltd. (6,700,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	67,000,000	-	-	67,000,000
Orion Infusion Limited (44,30,000 Ordinary Shares @ TK. 10 each)	Associate	Investment in Shares	44,300,000	-	-	44,300,000
Orion Power Khulna Limited (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-		500,000
Orion Power Dhaka Limited (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Infrastructure Limited (200,000,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	2,117,209,676	-	-	2,117,209,676
Orion Infusion Limited.	Associate	Current A/C	(41,770,031)	(30,571,587)	-	(72,341,618)
Dutch Bangla Power & Associate Ltd.	Subsidiary	Inter Company Current A/C	590,692,239	-		590,692,239
Orion Properties Ltd.	Common Director/ Shareholders	Inter Company Current A/C	20,331,532	-	-	20,331,532
Orion Power Khulna Limited	Trade Investment	Inter Company Current A/C	986,021,913	-	-	986,021,913
Orion Power Dhaka Ltd	Trade Investment	Inter Company Current A/C	2,176,293,707	-	-	2,176,293,707
Orion Agro Product Ltd.	Common Director/ Shareholders	Inter Company Current A/C	232,265,920	-	-	232,265,920
Interior Accom Consortium Ltd.	Common Director/ Shareholders	Inter Company Current A/C	94,495,459	13,500,000	-	107,995,459
Orion Power Unit -2 Dhaka Ltd.	Common Director/ Shareholders	Inter Company Current A/C	-	1,002,726,730	-	1,002,726,730
Total:			**7,237,840,415**	**985,655,143**	**-**	**8,223,495,558**

35.02 Payments/ Perquisites to Kye Management Personnel

Payments and perquisites given to the Chief Executive Officer & MD, Company Secretary, Chief Financial Officer, Head of Internal Audit, Vice Presidents during the year are disclosed below:

Particulars	30-Jun-17 Amount in Taka
Basic Salary	6,849,828
House rent	3,304,914
Medical Allowance	540,000
Conveyance	366,000
Other Allowance	1,262,100
Bonus	678,594
Profit Participation Fund	309,900
Contribution to provident fund (Employer)	444,978
Interest from provident fund	615,872
Leave Encashment	275,720
	14,647,906

During the year no board meeting attendance fee was paid to the directors.

36. Production capacity

Item	Unit	Production Capacity		Yearly Production		Capacity Utilization	
		2017	2016	2017	2016	2017	2016
Tablet & capsule	Million Pcs	903.90	1,287.03	407.53	703.32	45.09%	54.65%
Oral liquid, injection, powder for suspension, cream & ointment	Million Pcs	27.08	44.75	12.46	22.30	46.01%	49.83%

37. General

37.01 Capital expenditure commitment

There was capital expenditure contracted but not incurred or provided as on 30 June 2017 and material capital expenditure authorized by the board.

37.02 Claims not acknowledged

There is no claim against the Company not acknowledged as debt as on 30 June 2017

37.03 Credit facilities not availed

There is no credit facilities available to the Company but not availed of as on 30 June 2017 under any contract, other than trade credit available in the ordinary course of business.

37.04 Director's responsibility statements

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

37.05 Commission, Brokerage or Discount Agents Sales:

No commission, brokerage or discount was incurred or paid by the Company against sales during the period from 1 July 2016 to 30 June 2017.

37.06 Employee details

i) During the period, there were 1,539 employees employed for the full year and 444 employees less than the full period at a remuneration of Taka 3,000 per month and above.

ii) At the end of the period, there were 2,287 employees in the Company.

37.07 Rounding off

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

38.00 Events after the reporting period

38.01 The Board of Directors meeting held on 07 November 2017 had recommended 15% cash dividend for the year ended 30 June 2017 for placement before the Shareholder's for approval at 52nd AGM of the company. There is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

38.02 Tax assessment of the company from Income Tax Authority for previous year assessments was completed for previous year. It has been considered as an adjusting event after the reporting period as it has a material impact in the financial statements for the income year 2016-2017.

38.03 Except the facts above, there was no material event after the reporting date that is adjusting/ non adjusting event came to management attention which may be needful to be disclosed for the stakeholders.

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Chief Financial Officer**	**Company Secretary**

Dated: 07 November 2017
Place: Dhaka

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Schedule of Property, Plant and Equipment

As at 30 June 2017

Annexure-A. 1

Amount in Taka

Particulars	Written down value as at 01.07.2016	Additions during the year	Sale /Disposal During the year	Total as on 30.06.2017	Rate of Dep.(%)	Depreciation charged during the year	Written down value as at 30.06.2017
Land & land development	2,708,677,835		-	2,708,677,835	-	-	2,708,677,834
Factory & office building	630,264,093	34,176,697	-	664,440,790	10%	89,859,739	574,581,051
Plant & machinery	8,554,361,636	170,115,723	-	8,724,477,359	15%	670,427,750	8,054,049,608
Furniture & fixtures	29,515,403	10,399,087	-	39,914,490	15%	6,629,827	33,284,662
Office equipment	33,549,089	26,677,011	-	60,226,100	15%	12,735,894	47,490,206
Vehicles	28,832,420	4,763,500	-	33,595,920	20%	6,632,210	26,963,710
Laboratory equipment	11,791,892	71,750,570	-	83,542,462	15%	12,531,369	71,011,093
Sub-total:	**11,996,992,368**	**317,882,589**	**-**	**12,314,874,957**		**798,816,789**	**11,516,058,165**
At Revaluation							
Land & land development	1,599,675,401	-	-	1,599,675,401		-	1,599,675,401
Factory & office building	121,774,093	-	-	121,774,093	10%	11,571,326	110,202,767
Plant & machinery	294,991,550	-	-	294,991,550	15%	22,621,762	272,369,787
Sub-total:	**2,016,441,044**	-	-	**2,016,441,044**		**34,193,088**	**1,982,247,955**
Leased Assets							
Vehicle	44,910,000	27,118,000	-	72,028,000	20%	14,405,600	57,622,400
Sub-total:	**44,910,000**	**27,118,000**	**-**	**72,028,000**		**14,405,600**	**57,622,400**
Total 2017	**14,058,343,412**	**345,000,589**	**-**	**14,403,344,001**		**847,415,481**	**13,555,928,520**
Total 2016	**14,906,497,266**	**516,585,525**	**(312,977,126)**	**15,110,105,665**		**1,051,762,253**	**14,058,343,412**

ORION PHARMA LIMITED

Schedule of Property, Plant and Equipment

As at 30 June 2017

Annexure-A.2

Amount in Taka

SL. No.	Particulars	Written down value as at 01.07.2016	Addition during the year	Disposal / Sale	Balance as on 30.06.2017	Rate of Dep. (%)	Dep. Charged during the year	Written down value as at 30.06.2017
1	Land & Land Development	2,465,265,069	-	-	2,465,265,069	-	-	2,465,265,069
2	Factory & Office Building	40,026,139	34,176,697	-	74,202,836	10%	7,420,284	66,782,553
3	Plant & Machinery	580,760,992	169,778,723	-	750,539,715	15%	112,580,957	637,958,758
4	Furniture & Fixtures	26,995,521	10,399,087	-	37,394,608	15%	5,609,191	31,785,417
5	Office Equipment	28,648,265	25,263,067	-	53,911,332	15%	8,086,700	45,824,632
7	Vehicles	26,112,835	13,500	-	26,126,335	20%	5,225,267	20,901,068
8	Laboratory Equipment	11,791,891	71,750,570	-	83,542,461	15%	12,531,369	71,011,092
A. Sub-Total		**3,179,600,712**	**311,381,645**	**-**	**3,490,982,357**		**151,453,768**	**3,339,528,589**
At Revaluation								
1	Land & Land Development	1,298,728,729	-	-	1,298,728,729	-	-	1,298,728,729
2	Factory & Office Building	103,158,841	-	-	103,158,841	10%	10,315,884	92,842,957
3	Plant & Machinery	39,012,371	-	-	39,012,371	15%	5,851,855	33,160,516
B. Sub-Total		**1,440,899,941**	**-**	**-**	**1,440,899,941**		**16,167,739**	**1,424,732,202**
Leased Assets								
1	Vehicles	44,910,000	27,118,000		72,028,000	20%	14,405,600	57,622,400
Sub-total:		**44,910,000**	**27,118,000**	**-**	**72,028,000**		**14,405,600**	**57,622,400**
TOTAL (A+B+C)-2017		**4,665,410,653**	**338,499,645**	**-**	**5,003,910,298**	**-**	**182,027,107**	**4,821,883,191**
TOTAL - 2016		**4,441,330,083**	**510,763,109**	**(159,075,000)**	**4,793,018,192**		**127,607,539**	**4,665,410,653**

Allocation of Depreciation charge for the year has been made in the accounts as follows:

SL. No.	Particulars	Factory O/H	Gen. & Adm. Exp	Selling & Dist. Exp	Total
1	Factory & Office Building	5,320,850	10,641,701	1,773,617	17,736,168
2	Plant & Machinery	118,432,813	-	-	118,432,813
3	Furniture & Fixtures	280,460	2,636,320	2,692,412	5,609,191
4	Office Equipment	808,670	4,771,153	2,506,877	8,086,700
5	Vehicles	52,253	4,127,961	1,045,053	5,225,267
6	Lease -Vehicle	-	11,524,480	2,881,120	14,405,600
7	Laboratory Equipment	12,531,369	-	-	12,531,369
Total		**137,426,414**	**33,701,614**	**10,899,079**	**182,027,107**

An amount of Taka 30,89,00,000 in addition of plant & machinery did not accepted by tax authority in the previous period because it was under construction. Such amount already included our opening balance but tax authority will be considered in addition in the income year 2016-2017.

ORION PHARMA LIMITED

Investment in Marketable Securities

For the year ended 30 June 2017

Annexure-B

Amount in Taka

Particulars	30-Jun-2017		30-Jun-16
	Market Value	Cost Price	Cost Price
AB Investment Limited			
Apex foods Ltd.	24,712,872	27,186,499	-
AFC Agro biotech Ltd.	-	-	17,596,854
Apex Footwear Ltd.	-	-	11,314,398
Bangladesh Export Import Ltd	-	-	1,196,435
Bank Asia Ltd	2,889,600	3,258,075	2,151,422
Bay Leasing & Investment Ltd	-	-	3,372,130
Central Pharmaceuticals Ltd.	6,514,500	6,816,919	-
Far Chemical Industries Ltd.	-	-	547,911
Fareast Islami Life Insurance Ltd	-	-	1,410,265
Fas Finance & Investment Ltd	-	-	3,073,164
Green Delta Insurance Co Ltd.	-	-	4,719,399
IFIC Bank Ltd	-	-	2,783,350
ICB AMCL 2nd nrb mutual fund	-	-	2,360,709
Islamic Finance & Investment Ltd	-	-	1,686,639
Karnafuli Insurance Co. Ltd	-	-	1,097,799
Mithun Kniting and Dyeing Ltd	-	-	3,041,424
NCC Bank Ltd	-	-	1,564,937
Progressive Life Insurance Ltd	-	-	1,589,957
R N Spinning Mills Ltd	-	-	19,273
Reliance Insurance Ltd	-	-	4,588,310
Rupali Life Insurance co Ltd	-	-	7,635,300
Shinepukur Ceramics Ltd	-	-	4,651,177
Sunlife Insurance Co. Ltd.	-	-	3,344,672
Fortune Shoes Ltd.	2,090,400	2,056,061	-
Unique Hotel & Resorts Ltd.	11,815,200	12,269,102	-
Sub- total	**48,022,572**	**51,586,656**	**79,745,523**
Southeast Bank Capital Services			
Green Delta Mutual Fund	-	-	5,000,000
Bangladesh Submarine Cable	-	-	3,471
Sub- total	**-**	**-**	**5,003,471**

ORION PHARMA LIMITED

Investment in Marketable Securities

For the year ended 30 June 2017

Annexure-B

Amount in Taka

Particulars	30-Jun-2017		30-Jun-16
	Market Value	Cost Price	Cost Price
Bank Asia Securities Ltd			
Prime Textile Spinning mills Ltd	-	-	2,733,400
Central Pharmaceuticals Ltd.	954,450	1,013,988	-
Rupali Bank Ltd	-	-	5,375
Summit Alliance Port Ltd.	2,260,500	2,851,514	-
Paramount Textile Ltd.	-	-	266,135
Khulna Printing & Packaging Ltd.	-	-	3,627,800
Ambee Pharmaceuticals Ltd.	-	-	445,094
Fine Foods Ltd	-	-	1,224,573
Eastern Housing Ltd	-	-	325,849
Rahima Food Industries Ltd	-	-	3,015,080
Islami bank Bangladesh Ltd	966,000	1,334,853	-
Trust bank Ltd.	-	-	1,978
Northern Generel Insurance Ltd	-	-	155,239
Shinepukur Ceramics Ltd	-	-	3,126,750
APEX Foods Ltd.	-	-	1,334,403
National Housing Finance Ltd.	-	-	205,280
Unique Hotels & Resorts Ltd.	2,735,000	2,850,510	78,341
National Tubes Ltd.	1,240,000	1,345,962	-
Fu-Wang Ceramic ind Ltd	-	-	12,653
Pragati Insurance Ltd	-	-	1,193,915
Apex Spinning & knitting Ltd.	-	-	3,137,519
Stylecraft Ltd.	-	-	3,590,004
Sub- total	**8,155,950**	**9,396,827**	**24,479,387**
Jahan Securities Ltd			
CNATEX	-	-	50,000,000
OAL	-	-	30,000,000
Sub- total	**-**	**-**	**80,000,000**
LankaBangla Securities Ltd			
City Bank Ltd.	3,740,000	3,669,340	-
Confidence Cement Ltd.	1,346,000	1,322,551	-
LankaBangla Finance Ltd	2,785,000	2,713,349	-
Singer Bangladesh Ltd.	2,862,000	2,859,655	-
Social Investment Bank Ltd.	675,000	671,342	-
Sub- total	**11,408,000**	**11,236,237**	**-**
Grand Total	**67,586,522**	**72,219,720**	**189,228,381**
Fair Value Adjustments			
Cost Price	72,219,720		
Market Price	67,586,522		
Unrealized Gain (Loss)	**(4,633,198)**		

ORION PHARMA LIMITED

Fixed deposit with banks

As at 30 June 2017

Annexure-C

Amount in Taka

Sl. No.	Name of Bank	Instrument no.	Opening Balance 01.07.2016	Interest Income					Closing Balance 30.06.2017
				Accrued during the year	Accrued Previous year	Realized during the year	Income during the year	Tax at source	
1	SIBL -MTDR	0025311263757	1,446,835	4,200	5,345	91,401	90,256	9,140	1,529,096
2	SIBL -MTDR	0025311260179	2,235,240	13,318	16,516	145,572	142,374	14,557	2,366,255
3	SIBL -MTDR	0025311255512	3,075,627	33,832	43,059	194,296	185,069	19,430	3,250,494
Total			**6,757,702**	**51,350**	**64,920**	**431,269**	**417,699**	**43,127**	**7,145,845**

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ORION PHARMA LIMITED

Balance with Banks on Account

As at 30 June 2017

Annexure - D

Amount in Taka

Sl. No.	Name of Bank	Name of Branch	Account Number	30-Jun-17	30-Jun-16
Current Account (Main)					
1	Pubali Bank Ltd.	Tejgaon Branch,Dhaka	1256	4,795	35,797
2	Sonali Bank Ltd.	Tejgaon Branch,Dhaka	275/4	47,201	47,201
3	Agrani Bank Ltd.	Wasa Branch, Dhaka	797310/775-7	104,514	96,579
4	Rupali Bank Ltd.	TCB Branch, Dhaka	708	22,697	23,997
5	National Bank Ltd.	Mohakhali Branch	34017	3,720,961	6,101
6	ICB Islami Bank Ltd.	Principal Office,Dhaka	6417	2,904,597	2,907,017
7	The City Bank Ltd.	Principal Branch, Dhaka	110558491	5,000	5,000
8	The City Bank Ltd.	Gulshan Branch,Dhaka	11001	6,670	7,360
9	Social Islami Bank Ltd.	Principal Branch, Dhaka	55830	49,977,033	3,081,617
10	Bank Al-Falah Ltd.	Motijheel Branch,Dhaka	2965	8,500	8,500
11	Agrani Bank Ltd.	Principal Branch,Dhaka	3884	564,320	497,500
12	Sonali Bank Ltd.	Farmgate Branch	33010919	327,299	457,723
13	AB Bank Ltd.	Principal Branch	4005-784715-000	453,808	2,072,351
14	The Premier Bank Ltd.	Gulshan Branch	448	96,770	98,070
15	Brac Bank Ltd.	Gulshan Branch	250001	591,215	2,052,434
16	AL-Arafa Islami Bank Ltd.	Corporat Branch,Dhaka	50228	60,765	-
		Sub Total (i)		**58,896,145**	**11,397,247**
Current Account (Collection)					
17	Agrani Bank Ltd.	Chittagong Branch,Ctg.	363	15,979	15,979
18	Agrani Bank Ltd.	Bogra Branch,Bogra	1233	11,659	11,659
19	Agrani Bank Ltd.	Khulna Branch,Khulna	6069	137,623	27,574
20	Agrani Bank Ltd.	Barisal Branch,Barisal	1804	318	318
21	Agrani Bank Ltd.	Sylhet Branch,Sylhet	1866/1314	7,303	7,303
22	Agrani Bank Ltd.	Narayangong Branch	6467	4,899	226,893
23	Agrani Bank Ltd.	Rangpur Branch,Rangpur	4405	68	68
24	Agrani Bank Ltd.	Monoharpur Br.Comilla	5304	70	70
25	Agrani Bank Ltd.	Faridpur Branch,Faridpur	4008	4,945	753,577
26	National Bank Ltd.	Bogra Branch,Bogra	1565	99,276	140,801
27	National Bank Ltd.	Barisal Branch,Barisal	0382	1,181,631	793,250
28	National Bank Ltd.	Subid Bazar Branch,Syl	7190	1,979	93,132
29	National Bank Ltd.	Mymensingh Branch	2957	596,267	55,154
30	National Bank Ltd.	Rangpur Branch,Rangpur	6653	15,956	27,422
31	National Bank Ltd.	Babu Bazar Branch,Dhaka	2378	19,016	19,016
32	Sonali Bank Ltd.	Rajshahi	1432	10,483	128,079
33	Agrani Bank Ltd.	Chowmohani Branch	9074	182,282	325,019
34	ICB Islami Bank Ltd.	Chittagong	2978	13,744	13,744
35	National Bank Ltd.	Gonestala Road, Dinajpur	3678	368,721	81,628
36	National Bank Ltd.	Tangail	2605	366,128	37,454
37	National Bank Ltd.	Moulavibazar	7153	9,640	340,036
38	Agrani Bank Ltd.	Kustia	8152	5,636	219,627
39	National Bank Ltd.	Cox's Bazar	13962	2,480	197,229
40	Agrani Bank Ltd.	BSCIC Comilla	6639	3,116	20,253
41	National Bank Ltd.	CDA, Chittagong	6171	148,422	4,904
		Sub Total (ii)		**3,207,641**	**3,540,189**
		Sub Total (i+ii)		**62,103,786**	**14,937,436**
STD Account					
42	National Bank Ltd.	Mohakhali	2515	11,881	66,976
43	Bank Asia Ltd.	Mohakhali	38	480,506	544,335
44	Agrani Bank Ltd.	WASA Branch	99023	211,785	2,884,119
45	Social Islmi Bnk Ltd	Principal Branch	1464	2,447	103,516
46	AB Bank Ltd	Principal Branch	4005-784715-430	128,250	8,643,979
47	Bank Asia Ltd.	Mohakhali	190	83,999	39,539
		Sub Total (iii)		**918,869**	**12,282,464**
		Total Balance in Current & STD Account (i+ii+iii)		**63,022,655**	**27,219,900**

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Redeemable Preference Share

As at 30 June 2017

Annexure - E

Name of the company	Amount in Taka	
	30-Jun-17	30-Jun-16
Dutch Bangla Power & Associates Limited	500,000,000	500,000,000
	500,000,000	**500,000,000**

The redeemable preference share bearing interest @ 15% per annum were issued by Agrani Bank. As per BAS 32: "Financial Instruments: Presentation" the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in the financial statements.

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Provision for Decommissioning of Assets

As at 30 June 2017

Annexure - F

Particulars	Amount in Taka	
	30-Jun-17	30-Jun-16
Plant & machinery	59,922,594	59,922,594
Building	83,482,969	83,482,969
	143,405,563	**143,405,563**

Orion Power Megnaghat Ltd. has established its electricity generating plant on government land and assumed that after the contract period it may have to remove from the land. The company has recognised a provision for decommission obligations associated the electricity generating facility. In determine the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at 30 June , 2017 was BDT 143,405,563.

ORION PHARMA LIMITED AND ITS SUBSIDIARIES

Term Loan

As at 30 June 2017

Annexure - G

Sl. No.	Particulras	Amount in Taka	
		30-Jun-17	30-Jun-16
1.	**Orion Power Meghnaghat Ltd.**		
	Syndicated Loan (Term loan -Mashreq bank)	1,716,120,000	2,661,200,000
		1,716,120,000	**2,661,200,000**
2.	**Dutch Bangla Power and Associates Ltd.**		
	Syndicated Loan	1,757,802,293	1,505,003,266
	Working Capital Loan	16,486,877	34,029,405
		1,774,289,170	**1,539,032,671**
	Syndicated loan		
	Long term Borrowings	**1,757,802,293**	**1,505,003,266**
	Agrani Bank Ltd. - Principal Branch	172,712,238	150,145,341
	Janata Bank Ltd.	163,814,937	142,984,182
	Term Loan GSP Finance Ltd.	-	251,335,949
	Term Loan - Agrani Bank Ltd.	472,952,399	522,227,290
	PAD-AB bank Ltd.	17,805,327	1,770,001
	Term loan -Union Capital Ltd.	100,000,000	100,000,000
	Term Loan - AB Bank Ltd.	342,117,392	336,540,503
	Term Loan -Premier Bank Ltd.	488,400,000	-
		1,757,802,293	**1,505,003,266**

The Syndicated loan bearing interest @ 15% per annum and repayable in 60 equated monthly installments starting from August 21, 2011.

The loans from banks are secured first ranking fixed charge over land, buildings and civil constructions, plant & machineries of the Company, a first ranking floating charge over the stocks, receivables, revenue/sale proceeds, proceeds of accounts, insurance proceeds in favour of the term loan lenders on pari passu and pro rata basis. The Company has also assigned benefits under all insurance policies on pari passu basis to the lenders.

The loans are also secured by personal guarantee of all directors of the Company and lien of initial paid up capital of the Promoters of the Company.

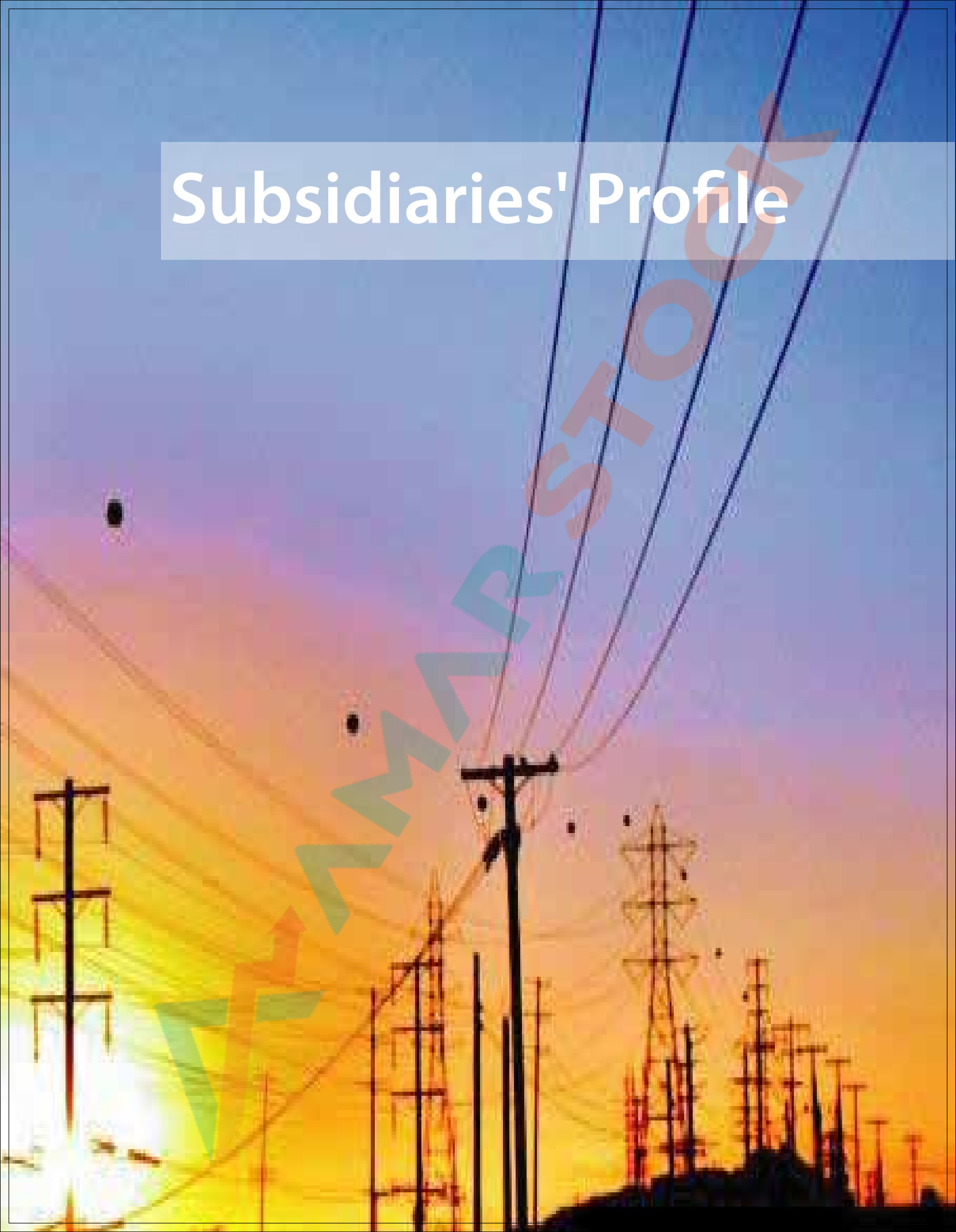
The sponsors have also given an undertaking to retain the majority share of the project during the tenor of the loan, to be in control of the management of the Company and to inject necessary equity fund to finance any cost overrun of the project and to maintain all the covenants unless otherwise mutually agreed between the lenders and the Company.

Working capital loan		
Agrani Bank Ltd. - Principal Branch	16,486,877	34,029,405
	16,486,877	**34,029,405**

Working capital loan under syndicatation loan arrangement bearing interest @ 12.00% per annum are repayable in 43 equated monthly installments starting from November 08, 2012.



Subsidiaries' Profile



ORION POWER MEGHNAGHAT LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS



Dear Stakeholders,

Reference to the provisions of Section 184 of the Companies Act 1994, and IAS codes, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is a pleasure and privilege on the part of the Board of Directors to submit the Directors; Report to the Shareholders together with the audited financial statements containing only Statement of Financial Position, Comprehensive Income, Change of Equity and Cash Flows for the year ended on June 30, 2017 at this annual general meeting.

OPERATIONS

The company, which was incorporated on June 30, 2010 as "IEL Consortium and Associates Ltd.", changed the name to "Orion Power Meghnaghat Limited" (OPML) on January 18, 2012. OPML has completed implementation of a 100 MW HFO Power based plant on quick rental basis in Meghnaghat, Dhaka and has been in commercial operation since May 08, 2011 for a period of 5 years. The term to supply electricity was already expired in 2016 and has been extended for next five years by executing an amendment to the contract for supply of power on rental basis by and between Bangladesh Power Development Board and the company dated December 28, 2016. OPML has been in profitable operations all over the years till date. Orion Pharma Ltd. holds 95% of equity share of this company.

SHAREHOLDING STRUCTURE

The present shareholding pattern of the company is as follows:

Shareholders' Name	No. of Shares Held	% of Holding
Orion Pharma Limited	95,000,000	95.00
Integral Energy Limited	3,000,000	3.00
Jafflong Tea Company Limited	500,000	0.50
Mr. Mohammad Obaidul Karim	500,000	0.50
Mr. Salman Obaidul Karim	500,000	0.50
Mrs. Arzuda Karim	350,000	0.35
Mrs. Nudrat S Karim	100,000	0.10
Haarhuis Genertoren B.V.	50,000	0.05
	100,000,000	**100.00**



FINANCIAL POSITION & PERFORMANCE

The summary of the comparative analysis of results of 2016-17 and 2015-16 (nine months period) is as follows:

Amount in BDT

Particulars	2016-17	2015-16 (nine months)
Revenue	3,493,767,773	2,827,092,543
Net Profit Before Tax	467,040,667	309,643,844
Net Profit after Tax	467,040,667	309,643,844
Total assets	6,407,695,830	6,592,621,897
Shareholders' Equity	3,415,816,926	2,948,776,259
Earnings per Share	4.67	3.10
Net Asset Value per Share	34.16	29.49

BOARD OF DIRECTORS

The following persons are the members of the Board of the Company:

Name	Position
Mr. Mohammad Obaidul Karim	Chairman
Mr. Salman Obaidul Karim	Managing Director
Mrs. Arzuda Karim	Director
Mrs. Nudrat S Karim	Director
Mr. Golam Mohiuddin	Nominated Director

APPOINTMENT OF AUDITORS

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditor of the Company in the last Annual General Meeting, will retire in the ensuring AGM and have confirmed their eligibility and willingness to accept their office for the forthcoming financial year, if re-appointed.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledge the contribution made and support & co-operation given by the Officers, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, and the Government in particular and look forward to a bright future for all of us.

Sd/-
Mohammad Obaidul Karim
Chairman

Orion Power Meghnaghat Ltd.

Auditors' Report & Financial Statements

As at and for the year ended 30 June 2017

S. F. AHMED & CO.
CHARTERED ACCOUNTANTS
(Member Firm of HLB International)

House # 51 (2nd & 3rd Floors), Road # 09, Block # F, Banani, Dhaka-1213

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S F AHMED & CO.
CHARTERED ACCOUNTANTS
...Since 1958
Member Firm of HLB International

House 51 (2nd Floor)
Road 9, Block F,
Banani, Dhaka 1213,
Bangladesh

Telephone : (88-02) 9894346, 9870957, 9894026, 09610998048
Fax : (88-02) 55042314
E-mail : sfaco@dhaka.net
sfali@connectbd.com
ahmeds@bol-online.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Orion Power Meghnaghat Ltd.

We have audited the accompanying financial statements of Orion Power Meghnaghat Ltd., which comprise the statement of financial position as at 30 June 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations in Bangladesh. The management also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Orion Power Meghnaghat Ltd. as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act, 1994 and other applicable laws and regulations in Bangladesh.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

d) the expenditure incurred was for the purposes of the company's business.

Sd/-
S. F. Ahmed & Co.

Chartered Accountants

Dated, Dhaka;
24 August 2017

ORION POWER MEGHNAGHAT LTD.

Statement of Financial Position

As At 30 June 2017

	Notes	Amount in BDT	
		30 June 2017	30 June 2016
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,026,217,969	4,368,465,716
		4,026,217,969	**4,368,465,716**
Current assets			
Inventories	5	354,970,939	236,651,985
Trade receivables	6	855,272,100	803,365,908
Advances, margin and prepayments	7	115,585,316	113,389,929
Intercompany current accounts	8	853,859,620	874,884,469
Cash and cash equivalents	9	201,789,886	195,863,889
		2,381,477,861	**2,224,156,181**
TOTAL ASSETS		**6,407,695,830**	**6,592,621,897**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,000,000,000	1,000,000,000
Revaluation surplus on property, plant and equipment		207,070,240	221,350,948
Retained earnings		2,208,746,686	1,727,425,311
		3,415,816,926	**2,948,776,259**
Non-current liabilities			
Long term borrowings	11	1,716,120,000	2,661,200,000
Provision for decommission of assets	12	143,405,563	143,405,563
		1,859,525,563	**2,804,605,563**
Current liabilities			
Trade payables	13	948,818,622	689,609,427
Accruals & other payables	14	183,534,719	149,630,648
		1,132,353,341	**839,240,075**
TOTAL EQUITY AND LIABILITIES		**6,407,695,830**	**6,592,621,897**
Net asset value per share (NAV)		**34.16**	**29.49**

The annexed notes form an integral part of these statements.

Chairman **Managing Director** **Company Secretary**

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

Dated, Dhaka;
24 August 2017

Sd/-
S. F. Ahmed & Co.

Chartered Accountants

ORION POWER MEGHNAGHAT LTD.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	Notes	Amount in BDT	
		01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
Revenue	15	3,493,767,773	2,827,092,543
Total revenue		**3,493,767,773**	**2,827,092,543**
Consumption of mobil & HFO	16	2,259,879,477	1,718,248,879
Operation & maintenance expenses	17	120,305,605	59,317,558
Other expenses	18	124,518,300	119,950,989
Depreciation	4	345,337,604	260,524,385
Finance cost	19	176,686,120	359,406,888
Total expenses		**3,026,727,106**	**2,517,448,699**
Net profit before tax		**467,040,667**	**309,643,844**
Income tax expenses		-	-
Profit after tax		**467,040,667**	**309,643,844**
Other comprehensive income		-	-
Total comprehensive income for the year		**467,040,667**	**309,643,844**
Basic Earning Per Share (EPS)	20	**4.67**	**3.10**

The annexed notes form an integral part of these statements.

Chairman **Managing Director** **Company Secretary**

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

Dated, Dhaka;
24 August 2017

Sd/-
S. F. Ahmed & Co.

Chartered Accountants

ORION POWER MEGHNAGHAT LTD.

Statement of Changes in Equity
For the year ended 30 June 2017

	Amount in BDT			
	Share Capital	Revaluation Surplus on fixed assets	Retained Earnings	Total
Balance at 01 October 2015 (Restated)	**1,000,000,000**	**232,061,479**	**1,407,070,936**	**2,639,132,415**
Transfer of depreciation on revaluation surplus to retained earnings	-	(10,710,531)	10,710,531	-
Net profit after tax	-	-	309,643,844	309,643,844
Balance at 30 June 2016	**1,000,000,000**	**221,350,948**	**1,727,425,311**	**2,948,776,259**
Balance at 01 July 2016	**1,000,000,000**	**221,350,948**	**1,727,425,311**	**2,948,776,259**
Transfer of depreciation on revaluation surplus to retained earnings	-	(14,280,708)	14,280,708	-
Net profit after tax	-	-	467,040,667	467,040,667
Balance at 30 June 2017	**1,000,000,000**	**207,070,240**	**2,208,746,686**	**3,415,816,926**

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ORION POWER MEGHNAGHAT LTD.

Statement of Cash Flows

For the year ended 30 June 2017

	Amount in BDT	
	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
A. Cash flows from operating activities		
Cash receipts from customers and others	3,441,861,580	3,431,260,157
Cash paid to suppliers, employees and other parties	(2,353,731,687)	(2,317,243,886)
Net cash provided by operating activities	**1,088,129,894**	**1,114,016,270**
B. Cash flows from investing activities		
Property, plant and equipment	(3,089,857)	(774,260)
Net cash used in investing activities	**(3,089,857)**	**(774,260)**
C. Cash flows from financing activities		
Proceed from/(Repayment of) long term borrowings	(945,080,000)	(370,870,108)
Repayment of short term borrowings	40,115,635	203,262,613
Payment against finance cost	(174,149,674)	(825,954,874)
Net cash used in financing activities	**(1,079,114,039)**	**(993,562,369)**
Net changes in cash and cash equivalents (A+B+C)	5,925,998	119,679,641
Cash and cash equivalents at 01 July 2016	195,863,889	76,184,247
Cash and cash equivalents at 30 June 2017	**201,789,886**	**195,863,889**

AMARSTOCK

ORION POWER MEGHNAGHAT LTD.

Notes to the Financial Statements
As at and for the year ended 30 June 2017

1. Corporate information

Orion Power Meghnaghat Ltd. was incorporated on June 30, 2010 as "IEL Consortium and Associates Ltd." a public limited in Bangladesh and obtained the certificate of commencement of business on June 30, 2010. On January 18, 2012, the name of the company has been changed to Orion Power Meghnaghat Ltd. The registered office of the company is at 153-154, Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

1.1 Nature of business

The Company has set up a 100 MW HFO Power Plant on quick rental basis in Meghnaghat, Dhaka with machineries and equipments supplied by Wartsila Finland OY for generation and supply of electricity. The Company has signed the contract with Bangladesh Power Development Board (hereinafter referred as BPDB) acting as an off taker to supply power to them solely under the contract No. 09755 executed on June 30, 2010. According to the said Contract, the Government will purchase the power for a period of 5 years commencing from May 08, 2011. The contract has been extended for further five (5) years effective from May 09, 2016 vide memo no- 27.00.0000.071.14.035.2013.535 dated 01 December 2016.

2. Basis of preparation of financial statements

2.1. Reporting framework and compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws and regulations, and in accordance with the Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) .

2.2 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the company is historical cost except for land, buildings & civil constructions and plant and machinery which are stated at fair value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation.

2.3 Functional and presentation currency

The functional and presentation currency of the Company is Bangladeshi Taka (BDT). The Company earns its revenues in United State Dollars (US$), however, all other incomes/expenses and transactions are in Bangladesh Taka (BDT) and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT and the receipts from operating activities are retained in BDT.

2.4 Going concern

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. The company prepares its financial statements on a going concern basis as the company has adequate resources to continue its operation for the foreseeable future and management does not intend to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

2.5 Accrual basis of accounting

The company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.6 Materiality and aggregation

The company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.7 Offsetting

The company does not offset assets and liabilities or income and expenses, unless required or permitted by a BFRS.

2.8 Statement of cash flows

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

2.9 Reporting period

The financial period of the company covers one year from 01 July 2016 to 30 June 2017.

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the nine months period from 01 October 2015 to 30 June 2016 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the period ended on 30 June 2016 have been rearranged wherever considered necessary to ensure comparability with the current period.

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with 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 given prospective effect in the financial statements as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3. Significant accounting policies

The accounting policies set out below have been applied for the period presented in these financial statements.

3.1 Property, plant and equipment (PPE)

Recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment were initially stated at cost and subsequently buildings & civil constructions and plant & machineries were revalued and shown at fair value in 2011, since then the assets were depreciated from the revalued amount. All property, plant and equipment are presented, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria

Subsequent costs

When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the income statement as incurred.

Revaluation

Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. On each reporting date, management assesses the fair value of the assets to ensure that fair value of revalued assets does not differ materially from its carrying amount. At 31 December 2011, the company made revaluation of its Building & Civil Constructions and Plant and Machineries by Syful Shamsul Alam & Co., Chartered Accountants to reflect fair value thereof in terms of depreciated current cost.

Any revaluation surplus on property, plant and equipment is recorded in other comprehensive income and hence, credited to the revaluation surplus on property, plant and equipment in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

A transfer from the revaluation surplus on property, plant and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost on each reporting date. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the retained earnings.

Depreciation

Depreciation of an asset begins when it's get ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a straight line basis over the expected economic lives as follows:

Group of PPE	Expected economic life
Building & Civil Construction	20 years
Vehicles	5 years
Office Equipments	5 years
Furniture & Fixtures	6 to 7 years
Plant & Machineries	2 to 20 years

Impairment

At each year end, the company assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income in accordance with the provision of Bangladesh Accounting Standards (BAS)- 36 unless the asset is revalued in accordance with BAS 16; in this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation. No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the assets or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Retirements and disposals

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

3.2 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the company at the functional currency spot rates on the date on which the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3.3 Inventories

Inventories stated at lower of cost and net realizable value as per BAS-2: Inventories. Costs incurred in bringing each product to its present location and conditions are accounted for on a First in First out (FIFO) basis. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.4 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the 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.

3.5 Provision for decommissioning costs

Orion Power Megnaghat Ltd. has established its electricity generating plant in government land and assumed that after the contract period it may have to remove the plant from the land. The company has recognized a provision for decommission obligations associated the electricity generating facility. In determine the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The caring amount of the provision as at June 30, 2017 was BDT 143,405,563.

3.6 Revenue recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity payments are recognized according to the terms set out in the PPA. Energy payments are calculated based on electricity delivered to BPDB.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

3.7 Taxation

Current tax

As per sec. 52N of Income Tax Ordinance 1984, 6% tax is payable at the time of rental received as TDS. Bangladesh Power Development Board (BPDB) shall be responsible for payment of income taxes, VAT, duties, levies, all other charges imposed or incurred inside Bangladesh on any payment made by BPDB to Orion Power Meghnaghat Ltd. or the importation (on a re exportable basis) of any plant /equipment (excluding consumable) and /or spare parts before commercial operation date and /or replacement equipment and spare parts for operation throughout the contract period as per contract No.09756 article-17. As 6% TDS is directly paid by BPDB on the invoice amount. So tax amount is not recognized either income or expenses in the statement of profit or loss and other comprehensive income.

3.8 Borrowing cost

In compliance with the requirement of BAS-23 (borrowing cost), borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset and, therefore capitalized. Other borrowing costs are recognized in the statement of profit or loss and other comprehensive income as finance cost.

3.9 Finance cost

Finance costs comprise interest on long term borrowings, interest on redeemable preference shares and bank charges. All finance costs are recognized in the statement of profit or loss and other comprehensive income except to the extent that are capitalized as per BAS - 23.

3.10 Financial instrument

Financial assets

Financial Instrument within the scope of BAS 39: "Recognition and Measurement" the company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which company becomes a party to the contractual provisions of the transaction. All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, advance and deposits.

(a) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

(b) Trade receivables

Trade receivables consist of unpaid bill amounts receivable from Bangladesh Power Development Board (BPDB).

Financial liabilities

As per BAS 39 "Financial Instrument: Recognition and Measurement" the company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the transaction date at which company becomes a party to the contractual provisions of the liability. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

(a) Loans and borrowings

Principal amounts of the loans and borrowings are stated at their amortized cost. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Trade payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow of resources from the entity.

3.11 Segment reporting

No geographical and operational segment reporting is applicable for the company as required by BFRS 8 "Operating Segment", as the company operates in single operation in a single geographical area.

3.12 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (Note-20).

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential dilutive ordinary shares during the relevant periods.

3.13 Events after reporting date

There have not been any significant events since the reporting date to the date of issue of the financial statements, which could affect the figures stated in the financial statements.

3.14 Commitments and contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Capital commitments

The Company has no commitment of capital expenditure as at June 30, 2017.

Guarantees

The company has given a bank guarantee of BDT 20,501,000 (BDT 22,430,000; 2016) to BPDB.

4. Property, plant and equipment

Amount in BDT

Sl. No.	Group of PPE	COST			Depreciation			Written Down Value as at 30.06.2017
		Balance as at 01.07.2016	Addition during the year	Balance as at 30.06.2017	Balance as at 01.07.2016	Charged during the year	Balance as at 30.06.2017	
A.	**At historical Cost**							
	Building & civil construction	541,035,963	-	541,035,963	299,835,963	59,810,155	359,646,118	181,389,845
	Plant & machineries	5,294,973,768	-	5,294,973,768	1,392,720,745	268,855,081	1,661,575,826	3,633,397,942
	Vehicles	9,396,948	2,710,000	12,106,948	8,908,696	691,501	9,600,197	2,506,751
	Office equipments	14,198,558	379,857	14,578,415	12,479,497	1,129,439	13,608,936	969,479
	Furniture & fixtures	3,804,777	-	3,804,777	2,350,346	570,720	2,921,066	883,711
Sub Total		**5,863,410,014**	**3,089,857**	**5,866,499,871**	**1,716,295,247**	**331,056,896**	**2,047,352,143**	**3,819,147,728**
B.	**Revaluation**							
1	Building & civil construction	16,547,715	-	16,547,715	3,723,240	827,388	4,550,628	11,997,087
2	Plant & machineries	269,066,416	-	269,066,416	60,539,942	13,453,320	73,993,262	195,073,154
Sub Total		**285,614,131**	**-**	**285,614,131**	**64,263,182**	**14,280,708**	**78,543,890**	**207,070,241**
Total 30 June 2017 (A+B)		**6,149,024,145**	**3,089,857**	**6,152,114,002**	**1,780,558,429**	**345,337,604**	**2,125,896,033**	**4,026,217,969**
Total 30 June 2016		**6,148,249,885**	**774,260**	**6,149,024,145**	**1,520,034,044**	**260,524,385**	**1,780,558,429**	**4,368,465,716**

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		Amount in BDT	
		30 June 2017	30 June 2016
5	**Inventories**		
	Mobil & Chemical	16,293,046	12,681,633
	Spare parts	158,329,681	147,853,473
	Inventory - HFO & LFO	165,752,076	70,774,587
	Goods in transit	14,596,136	5,342,292
		354,970,939	**236,651,985**
6	**Trade receivables**		
	Receivables from BPDB	855,272,100	803,365,908
		855,272,100	**803,365,908**
7	**Advances, margin and prepayments**		
	Advances (Note- 7.1)	40,777,773	84,708,566
	Margin (Note- 7.2)	74,050,405	27,852,949
	Prepayments (Note- 7.3)	757,137	828,414
		115,585,316	**113,389,929**
7.1	**Advances**		
	Advance Employee	1,589,209	2,967,987
	TDR - Phoneix Finance	135,500	-
	Advance to supplier	14,629,340	16,120,995
	Advance income tax	523,724	390,577
	Other Receivables	23,900,000	65,229,008
		40,777,773	**84,708,566**
7.2	**Margin**		
	Bank guarantee Margin - BPDB	20,501,000	22,430,000
	Bank guarantee Margin - Others	23,197,586	-
	L/C Margin account	30,351,820	5,422,949
		74,050,405	**27,852,949**
7.3	**Prepayments**		
	Bank guarantee commission	-	627,216
	Insurance premium	757,137	201,198
		757,137	**828,414**
8	**Intercompany current accounts**		
	Dutch Bangla Power and Associates Ltd.	405,733,434	435,074,432
	Panboo Bangla Mushroom Ltd.	33,824,685	25,000,000
	Orion Gas Limited	20,000,000	20,000,000
	Orion Footwear Ltd.	40,600,000	40,600,000
	Orion Oil & Shiping Ltd.	82,871,487	43,963,331
	Orion Power Unit 2 Dhaka Ltd.	226,827,769	246,719,071
	Orion Power Dhaka Ltd.	40,488,045	42,513,435
	Interior Accom Consortium Limited	-	15,000,000
	Orion Properties Ltd.	3,514,200	6,014,200
		853,859,620	**874,884,469**

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		Amount in BDT	
		30 June 2017	30 June 2016
9	**Cash and cash equivalents**		
	Cash in hand	145,413	1,516,159
	Cash at bank (Note- 9.1)	201,644,472	194,347,730
		201,789,886	**195,863,889**
9.1	**Cash at bank**		
	Agrani Bank Limited Principal Branch A/C-0200000121457	346,799	6,377,747
	Bank Asia Ltd. A/C-02836000112	83,697	374,434
	FSIBL A/C 1121110000572	2,633,214	385,345
	Social Islami Bank Limited, A/C No. 13300058029	479,034	879,387
	AB Bank Limited	181,160	5,860
	Rupali Bank - 94251	3,284	8,805,957
	Premier Bank, Motijheel - 10811100017352	318,481	-
	IBBL A/C No- 20501360100448316	49,275	-
	Agrani Bank FC 5354-9	197,475,270	177,444,378
	Agrani Bank Limited, A/C No. 264033	74,260	74,624
		201,644,472	**194,347,730**
10	**Share capital**		
	Authorised capital		
	400,000,000 Ordinary shares of BDT 10/- each	4,000,000,000	4,000,000,000
		4,000,000,000	**4,000,000,000**
	Issued, subscribed, called - up & paid up capital		
	100,000,000 Ordinary Shares of BDT 10/- each	**1,000,000,000**	**1,000,000,000**

The shareholding position of the company are as under:

Shareholder	Number of share	30 June 2017 BDT	30 June 2016 BDT
Orion Pharma Limited	95,000,000	950,000,000	950,000,000
Integral Energy Limited	3,000,000	30,000,000	30,000,000
Jafflong Tea Company Limited	500,000	5,000,000	5,000,000
Mr. Mohammad Obaidul Karim	500,000	5,000,000	5,000,000
Mr.Salman Obaidul Karim	500,000	5,000,000	5,000,000
Mrs. Arzuda Karim	350,000	3,500,000	3,500,000
Mrs.Nudrat S Karim	100,000	1,000,000	1,000,000
Haarhuis Genertoren B.V.	50,000	500,000	500,000
	100,000,000	**1,000,000,000**	**1,000,000,000**

11	**Long term borrowings**		
	Syndicated loan (Note-11.1)	1,716,120,000	2,661,200,000
		1,716,120,000	**2,661,200,000**
11.1	**Syndicated loan**		
	Term Loan - Mashreq Dubai	1,716,120,000	2,661,200,000
		1,716,120,000	**2,661,200,000**

		Amount in BDT	
		30 June 2017	30 June 2016
12	**Provision for decommission of assets**		
	Plant & machinery	59,922,594	59,922,594
	Building	83,482,969	83,482,969
		143,405,563	**143,405,563**
13	**Trade payables**		
	Accounts payable - suppliers	948,818,622	689,609,427
		948,818,622	**689,609,427**
14	**Accruals & other payables**		
	Salary and other allowance	9,482,681	15,199,340
	Directors remuneration	375,000	4,500,000
	Provident fund	9,730,290	6,517,948
	Lease Finance- Phoneix Finance(DM- VP Eng)	2,536,446	-
	Retention money	2,089,606	2,089,606
	Withholding VAT	10,956,092	10,128,959
	Withholding tax	6,939,024	8,701,446
	Audit fees	345,000	345,000
	Provission for gratuity	4,999,926	3,274,176
	Inter-company current account (Note- 14.1)	109,472,779	90,381,993
	Accounts payable - employee	286,261	97,592
	Deduction against private car	-	297,975
	Other payable	26,321,613	8,096,613
		183,534,719	**149,630,648**
14.1	**Inter-company current account**		
	Interior Accom Consortium Limited	31,157,000	-
	Orion Capital Limited	18,420,000	27,820,000
	Digital Power and Associates Ltd.	59,895,779	62,561,993
		109,472,779	**90,381,993**
15	**Revenue**		
	Reference rental price	1,234,051,000	1,029,086,907
	Reference energy price (Variable - O&M)	115,004,133	113,064,995
	Salaes Revenue - HFO OOSL	2,144,678,531	1,407,631,472
	HFO received from BPDB	-	285,808,227
	Foreign exchange gain /(Loss)	34,109	(8,499,058)
		3,493,767,773	**2,827,092,543**
16	**Consumption of mobil & HFO**		
	Mobil & Auxilary	52,858,032	48,960,380
	Hyper furnace oil (HFO) - OOSL	2,207,021,445	1,383,480,272
	Hyper furnace oil (HFO) - BPDB	-	285,808,227
		2,259,879,477	**1,718,248,879**
17	**Operation & maintenance expenses**		
	O & M service	48,922,529	35,399,833
	Repair & maintenance	71,383,076	23,917,725
		120,305,605	**59,317,558**

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		Amount in BDT	
		30 June 2017	30 June 2016
18	**Other expenses**		
	Salaries & allowances	71,667,830	49,119,129
	Director remuneration	6,000,000	4,500,000
	Advertisement	3,131,032	4,059,760
	Entertainment	1,781,600	1,701,843
	Fooding expenses	3,562,463	2,371,690
	Plant office transport	3,002,434	1,981,007
	Plant office utilities	367,100	333,450
	Plant office communication	1,425,922	1,660,290
	Fees & taxes	872,453	5,875,202
	Stationary, accessories & supplies	1,183,276	964,690
	Security service	6,705,687	4,001,516
	Tours & travel	2,330,522	2,471,028
	Consultancy fees	317,500	2,411,860
	Insurance, taxes & duties	40,303.00	106,170
	Fuel test fees	195,950	168,000
	Audit fee	345,000	345,000
	Liquidity demarage	-	26,685,748
	Land rent	5,983,428	4,289,887
	Miscellaneous expenses	15,605,801	6,904,719
		124,518,300	**119,950,989**
19	**Finance cost**		
	Interest on long term borrowings (Note-19.1)	-	184,474,071
	Interest on preference share	-	54,298,030
	Interest Expense - Mashreq PSC	107,765,308	-
	Loan Processing fees	62,585,840	-
	Interest Expenses- Lesae Finance(Phoneix Finance)	121,056	-
	Interest Expenses- ICB	-	68,921,503
	Interest on assets decommissioning liability	-	9,667,200
	Agency Fee on Syndicate Loan	-	6,088,729
	Bank commission & VAT on Comm.	5,920,829	9,534,030
	Bank charges	293,087	26,423,325
		176,686,120	**359,406,888**
19.1	**Interest on long term borrowings**		
	Agrani Bank Limited	-	113,183,983
	Rupali Bank Limited	-	18,859,122
	SABINCO	-	1,782,040
	Interest Expense - Mashreq PSC	-	22,252,892
	Agrani Bank Limited - (Working Capital Purpose)	-	3,951,518
	Interest Expenses - SOD Rupali Bank	-	21,892,597
	Bangladesh Commerce Bank Ltd.	-	2,551,920
		-	**184,474,071**
20	**Earning per share**		
	The computation is given below:		
	Profit after tax	467,040,667	309,643,844
	Number of ordinary shares outstanding during the period	100,000,000	100,000,000
	Basic earning per share (EPS)	**4.67**	**3.10**

21. Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company has trade receivables, and cash and bank balances that arrive directly from its operations.

Financial instruments give rise to cash flow interest rate risk, foreign currency risk, other price risk, credit risk, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The company's senior management oversees the management of these risks. The senior management ensures that the financial risk-taking activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with policies and risk appetite.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As a policy, the company has decided to obtain all its borrowings at fixed interest rates. Hence there is no exposure to the risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's earnings and cash flows are significantly influenced by US dollars (USD) since USD is the currency in which the company's sales are denominated. The financial position and results of the company can be affected significantly by movements in the BDT / USD exchange rates. Presently, the company does not hedge any exposure on account of foreign currency risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

At present all output of the company is sold to a single customer and trade receivable as on the reporting dates represents amounts receivable from the said customer. The party is a government owned undertaking and the management does not foresee any risk relating to the credit quality of the customer.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the company's Board of Directors on regular basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The table below summarizes the maturity profile of the financial liabilities based on contractual undiscounted payments.

As at June 30, 2017:

	Long term borrowings	Provision for Decommission of Assets	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	948,818,622	183,534,719	1,132,353,341
Amount repayable within 2 to 5 years	1,716,120,000	143,405,563	-	-	1,859,525,563

22 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2017 are as follows:

Name of related party	Relationship	Nature of transaction	Opening balance as on 01. 07.2016	Addiion	Adjustment	Closing balance as on 30. 06.2017
Orion Pharma Limited	Holding Company	Investment in Share Capital	(950,000,000)	-	-	(950,000,000)
Dutch Bangla Power & Associates Limited	Common director/ Share holding	Intercompany Current A/C	435,074,432	50,789,282	(80,130,279)	405,733,434
Panbo Bangla Mushroom Ltd.	Common director/ Share holding	Intercompany Current A/C	25,000,000	8,824,685	-	33,824,685
Interior Accom Consortium Limited	Common director/ Share holding	Intercompany Current A/C	15,000,000	-	(46,157,000)	(31,157,000)
Orion Gas Limited	Common director/ Share holding	Intercompany Current A/C	20,000,000	-	-	20,000,000
Digital Power & Associates Ltd	Common director/ Share holding	Intercompany Current A/C	(62,561,993)	(9,184,115.89)	11,850,330	(59,895,779)
Orion Power Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	42,513,435	17,246,610	(19,272,000)	40,488,045
Orion Properties Ltd.	Common director/ Share holding	Intercompany Current A/C	6,014,200	500,000	(3,000,000)	3,514,200
Orion Capital Ltd.	Common director/ Share holding	Intercompany Current A/C	(27,820,000)	-	9400000	(18,420,000)
Orion Footwear Ltd.	Common director/ Share holding	Intercompany Current A/C	40,600,000	-	-	40,600,000
Orion Oil & Shiping Ltd.	Common director/ Share holding	Intercompany Current A/C	43,963,331	304,131,305	(265,223,149)	82,871,487
Orion Power Unit 2 Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	246,719,071	-	(19,891,302)	226,827,769

Particulars	Value in BDT
Managerial remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	6,000,000
Expenses reimbursed to managing agent	
Commission or remuneration payable separately to a managing agent or his associate	
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	- -
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the period.	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-
Other allowances and commission including guarantee commission	-
Pensions etc.	-
(i) Pensions	-
(ii) Gratuities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-
Share Based payments	-

BDSTOCK

23 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2017 (% on licensed capacity)	Plant factor 2016 (% on licensed capacity)
100 MW	106.80 MW	Average 42.75% Max. 75%	Average 55.00% Max. 79%

24 Employee details

During the period, there were 137 employees employed for the full year and the end of the period, there were 137 employees in the company with remuneration of BDT 6,140 per month and above.

25 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

26 Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 24 August 2017.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

AMARSTOCK

DUTCH BANGLA POWER & ASSOCIATES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Stakeholders,

Reference to the provisions of Section 184 of the Companies Act 1994, and IAS codes, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is a pleasure and privilege on the part of the Board of Directors to submit the Directors; Report to the Shareholders together with the audited financial statements containing only Statement of Financial Position, Comprehensive Income, Change of Equity and Cash Flows for the year ended on June 30, 2017 at this annual general meeting.

OPERATIONS

The company has set up a 100 MW HFO power plant on quick rental basis and commenced its sale of power to the Government of Bangladesh from July 21, 2011 for a period of 5 years. The term to supply electricity was already expired in 2016 and has been extended for next five years by executing an amendment to the contract for supply of power on rental basis by and between Bangladesh Power Development Board and the company dated December 28, 2016. The plant has been in profitable operations all over the years till date. Orion Pharma Ltd. holds 67% of equity share of this company.



SHAREHOLDING STRUCTURE

The present shareholding pattern of the company is as follows:

Shareholders' Name	No. of Shares Held	% of Holding
Orion Pharma Limited	6,700,000	67.00
Mr. Mohammad Obaidul Karim	100,000	1.00
Mr. Salman Obaidul Karim	3,087,500	30.88
Mrs. Nudrat S Karim	50,000	0.50
Shenzen Nanshan Power Co. Ltd.	50,000	0.50
Mrs. Arzuda Karim	10,000	0.10
Jafflong Tea Company Ltd.	2,500	0.03
	10,000,000	**100.00**



BOARD OF DIRECTORS

The following persons are the members of the Board of the Company:

Name	Position
Mr. Mohammad Obaidul Karim	Chairman
Mr. Salman Obaidul Karim Managing	Director
Mrs. Arzuda Karim	Director
Mrs. Nudrat S Karim	Director
Mr. Golam Mohiuddin Nominated	Director

APPOINTMENT OF AUDITORS

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditor of the Company in the last Annual General Meeting, will retire in the ensuring AGM and have confirmed their eligibility and willingness to accept their office for the forthcoming financial year, if re-appointed.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledge the contribution made and support & co-operation given by the Officers, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, and the Government in particular and look forward to a bright future for all of us.

Sd/-
Mohammad Obaidul Karim
Chairman

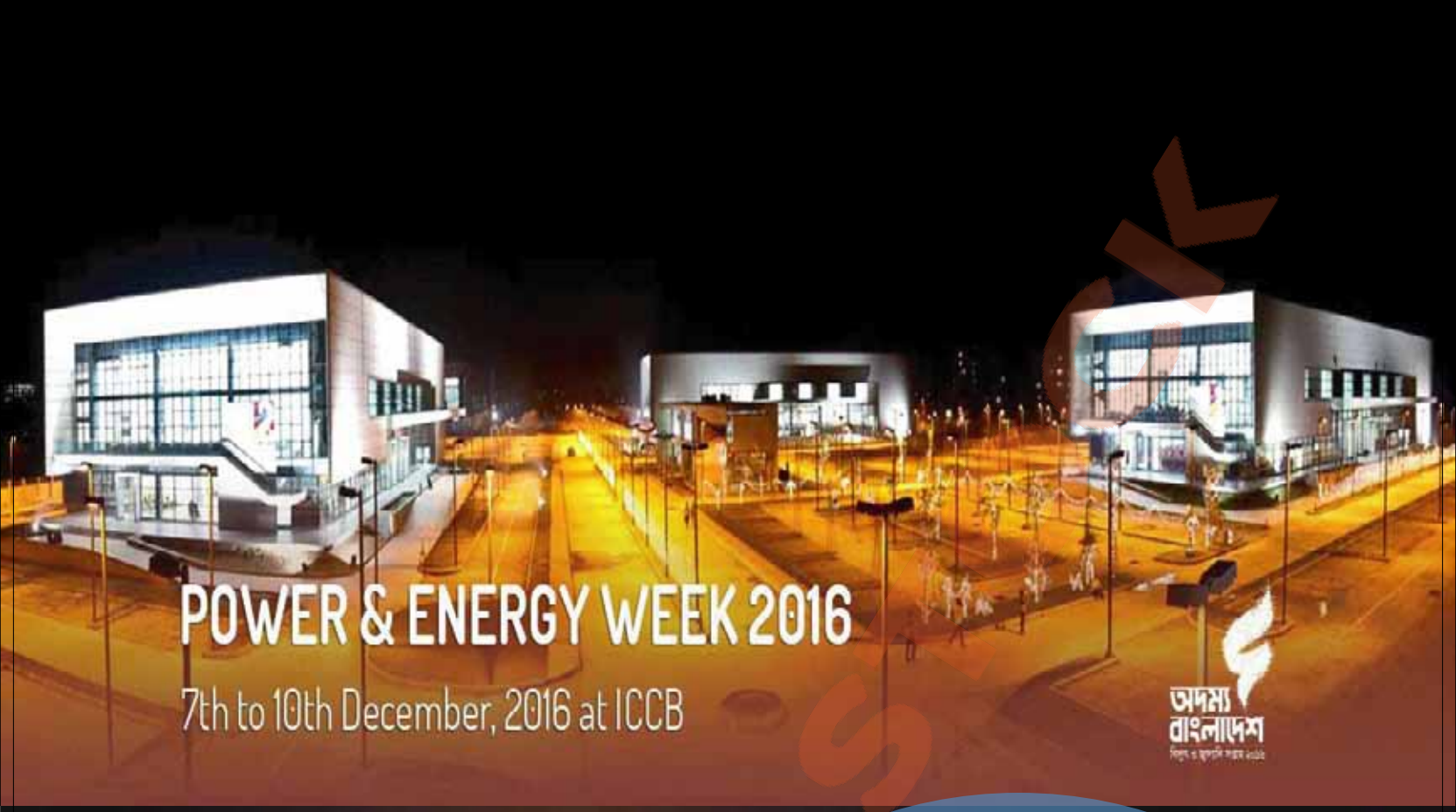
FINANCIAL POSITION & PERFORMANCE

The summary of the comparative analysis of results of 2016-17 and 2015-16 (nine months period) is as follows:

Amount in BDT

Particulars	2016-17	2015-16 (nine months)
Revenue	4,044,271,207	2,726,994,984
Net Profit Before Tax	306,792,017	184,599,770
Net Profit after Tax	306,792,017	184,599,770
Total assets	7,096,015,766	6,628,615,860
Shareholders' Equity	2,399,468,409	2,092,676,392
Earnings per Share	30.68	18.46
Net Asset Value per Share	239.95	209.27

VMARKET



Orion's participation in the National Power and Energy Week 2016

The Ministry of Power, Energy and Mineral Resources organized the annual National Power and Energy Week 2016 from December 7-10, 2016 at the International Convention City Bashundhara (ICCB), Dhaka. Dutch Bangla Power & Associates Limited, one of the subsidiaries of Orion Pharma Limited, participated in this three-day exhibition. The company was one of the Gold Sponsors in this program and contributed an amount of BDT 50,00,000 for this prestigious annual event.

The exhibition acknowledge the new era of progress with the country's power generation capacity reaching a new high of 15,000 MW. The event also celebrated the achievements of Bangladesh in power generation, crossing new milestones and to showcase the Government's success in powering the country's progress and to bring such triumphs into light to all Bangladeshis.

Dutch Bangla Power and Associates Ltd.

Auditors' Report & Financial Statements

As at and for the year ended 30 June 2017

S. F. AHMED & CO.
CHARTERED ACCOUNTANTS

(Member Firm of HLB International)

House # 51 (2nd & 3rd Floors), Road # 09, Block # F, Banani, Dhaka-1213

AMAR STOCK

S F AHMED & CO.
CHARTERED ACCOUNTANTS
...Since 1958
Member Firm of HLB International

House 51 (2nd Floor)
Road 9, Block F,
Banani, Dhaka 1213,
Bangladesh

Telephone : (88-02) 9894346, 9870957, 9894026, 09610998048
Fax : (88-02) 55042314
E-mail : sfaco@dhaka.net
sfali@connectbd.com
ahmeds@bol-online.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Dutch Bangla Power and Associates Ltd.

We have audited the accompanying financial statements of Dutch Bangla Power and Associates Ltd., which comprise the statement of financial position as at 30 June 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations in Bangladesh. The management also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dutch Bangla Power and Associates Ltd. as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act, 1994 and other applicable laws and regulations in Bangladesh.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;

c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

d) the expenditure incurred was for the purposes of the company's business.

Sd/-
S. F. Ahmed & Co.

Chartered Accountants

Dated, Dhaka;
24 August 2017

DUTCH BANGLA POWER AND ASSOCIATES LTD.

Statement of Financial Position
As At 30 June 2017

	Notes	Amount in BDT	
		30 June 2017	30 June 2016
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,707,827,359	5,024,467,040
		4,707,827,359	**5,024,467,040**
Current assets			
Inventories	5	388,511,729	144,473,096
Trade receivables	6	957,493,982	720,547,602
Advances, margin and prepayments	7	130,317,576	73,659,298
Inter company current A/C	8	906,116,370	659,169,844
Cash and cash equivalents	9	5,748,750	6,298,981
		2,388,188,407	**1,604,148,820**
TOTAL ASSETS		**7,096,015,766**	**6,628,615,860**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	100,000,000	100,000,000
Revaluation surplus on property, plant and equipment		350,445,511	354,165,074
Retained earnings		1,949,022,897	1,638,511,319
		2,399,468,408	**2,092,676,392**
Non-current liabilities			
Long term borrowings	11	1,774,289,170	1,539,032,671
Preference share	12	500,000,000	500,000,000
		2,274,289,170	**2,039,032,671**
Current liabilities			
Trade creditors	13	1,266,922,312	738,905,747
Accruals & other payables	14	1,155,335,876	1,758,001,049
		2,422,258,188	**2,496,906,797**
TOTAL EQUITY AND LIABILITIES		**7,096,015,766**	**6,628,615,860**
Net asset value per share (NAV)		**239.95**	**209.27**

The annexed notes form an integral part of these statements.

Chairman **Managing Director** **Company Secretary**

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

Dated, Dhaka;
24 August 2017

Sd/-
S. F. Ahmed & Co.

Chartered Accountants

DUTCH BANGLA POWER AND ASSOCIATES LTD.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

	Notes	Amount in BDT	
		01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
Revenue	15	4,044,271,207	2,726,994,984
Total revenue		**4,044,271,207**	**2,726,994,984**
Consumption of Mobil & HFO	16	2,832,806,621	1,709,367,307
Operation and maintenance expenses	17	173,749,317	188,289,508
Other expenses	18	106,448,319	71,797,740
Depreciation	4	320,050,767	197,058,171
Finance cost	19	304,424,167	375,882,488
Total expenses		**3,737,479,191**	**2,542,395,214**
Profit before tax		**306,792,016**	**184,599,770**
Income tax expenses		-	-
Profit after tax		**306,792,016**	**184,599,770**
Other comprehensive income		-	-
Total comprehensive income for the year		**306,792,016**	**184,599,770**
Basic Earning Per Share (EPS)	20	**30.68**	**18.46**

The annexed notes form an integral part of these statements.

Chairman **Managing Director** **Company Secretary**

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

Dated, Dhaka;
24 August 2017

Sd/-
S. F. Ahmed & Co.
Chartered Accountants

DUTCH BANGLA POWER AND ASSOCIATES LTD.

Statement of Changes in Equity
For the year ended 30 June 2017

	Amount in BDT			
	Share Capital	Retained Earnings	Revaluation Surplus	Total
Balance at 01 October 2015 (Restated)	**100,000,000**	**1,451,336,467**	**356,740,155**	**1,908,076,622**
Transfer of depreciation on revaluation surplus to retained earnings	-	2,575,082	(2,575,082)	-
Net profit after tax	-	184,599,770	-	184,599,770
Balance at 30 June 2016	**100,000,000**	**1,638,511,319**	**354,165,074**	**2,092,676,392**
Balance at 01 July 2016	**100,000,000**	**1,638,511,319**	**354,165,074**	**2,092,676,392**
Transfer of depreciation on revaluation surplus to retained earnings	-	3,719,562	(3,719,562)	-
Net profit after tax	-	306,792,016	-	306,792,016
Balance at 30 June 2017	**100,000,000**	**1,949,022,897**	**350,445,511**	**2,399,468,408**

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DUTCH BANGLA POWER AND ASSOCIATES LTD.

Statement of Cash Flows
For the year ended 30 June 2017

	Amount in BDT	
	01 July 2016 to 30 June 2017	01 October 2015 to 30 June 2016
A. Cash flows from operating activities		
Cash receipts from customers and others	3,807,324,826	3,303,092,098
Cash paid to suppliers, employees and other parties	(2,870,279,758)	(2,229,362,508)
Net cash provided by operating activities	**937,045,068**	**1,073,729,590**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,411,087)	(3,131,500)
Net cash used in investing activities	**(3,411,087)**	**(3,131,500)**
C. Cash flows from financing activities		
(Repayment of)/Proceeds from long term borrowings	235,256,499	(690,663,333)
Finance cost	(741,967,914)	(221,630,444)
(Repayment of)/Proceeds from short term borrowing	(427,472,797)	(154,061,448)
Net cash used in financing activities	**(934,184,212)**	**(1,066,355,225)**
Net changes in cash and cash equivalents (A+B+C)	(550,231)	4,242,865
Cash and cash equivalents at 01 July 2016	6,298,981	2,056,116
Cash and cash equivalents at 30 June 2017	**5,748,750**	**6,298,981**

DUTCH BANGLA POWER AND ASSOCIATES LTD.

Notes to the Financial Statements
As at and for the year ended 30 June 2017

1. Corporate information

Dutch Bangla Power and Associates Ltd. was incorporated on 01 July 2010 as a public limited company in Bangladesh and obtained the certificate of commencement of business under the Companies Act 1994, on the same date. The registered office of the company is at Orion House, 153-154 Tejgaon, Dhaka.

1.1 Nature of business

The company has set up a 100 MW HFO Power Plant on quick rental basis in Siddirgoanj, Dhaka with machineries and equipments supplied by Wartsila Finland OY for generation and supply of electricity. The company has signed the contract with Bangladesh Power Development Board (hereinafter referred as BPDB) acting as an off taker to supply power to them solely under the contract No. 09756 executed on July 01, 2010. According to the said contract, the Government will purchase the power for a period of 5 years commencing from July 21, 2011. The contract has been extended for further five (5) years effective from July 22, 2016 vide memo no- 27.00.0000.071.14.122.2010.534 dated 01 December 2016.

2. Basis of preparation of financial statements

2.1. Reporting framework and compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws and regulations, and in accordance with the Bangladesh Financial Reporting Standards (BFRSs) and Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.2 Measurement of the elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the company is historical cost except for land, buildings & civil constructions and plant and machinery which are stated at fair value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation.

2.3 Functional and presentation currency

The functional and presentation currency of the company is Bangladeshi Taka (BDT). The company earns its revenues in United State Dollars (US$), however, all other incomes/expenses and transactions are in Bangladeshi Taka (BDT) and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT and the receipts from operating activities are retained in BDT.

2.4 Going concern

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. The company prepares its financial statements on a going concern basis as the company has adequate resources to continue its operation for the foreseeable future and management does not intend to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

2.5 Accrual basis of accounting

The company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

2.6 Materiality and aggregation

The company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

2.7 Offsetting

The company does not offset assets and liabilities or income and expenses, unless required or permitted by a BFRS.

2.8 Statement of cash flows

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

2.9 Reporting period

The Financial period of the company covers one year period from 01 July 2016 to 30 June 2017.

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the nine months period from 01 October 2015 to 30 June 2016 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the period ended on 30 June 2016 have been rearranged wherever considered necessary to ensure comparability with the current period.

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Financial Reporting Standards (BFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are given prospective effect in the financial statements as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3. Significant accounting policies

The accounting policies set out below have been applied for the period presented in these financial statements.

3.1 Property, plant and equipment (PPE)

Recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment were initially stated at cost and subsequently buildings & civil constructions and plant & machineries were revalued and shown at fair value in 2011, since then the assets were depreciated from the revalued amount.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

Subsequent costs

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

Revaluation

Land, buildings & civil constructions and plant & machineries are measured at fair value. Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. On each reporting date, management assess the fair value of the assets to ensure that fair value of revalued assets does not differ materially from its carrying amount. At 31 December 2011, the Company made revaluation of it's Land and Land developments, Buildings and Plant and Machinery by Syful Shamsul Alam & Co., Chartered Accountants to reflect fair value thereof in terms of Depreciated current cost.

Any revaluation surplus on property, plant and equipment is recorded in the statement of profit or loss and other comprehensive income and hence, credited to the revaluation surplus on property, plant and equipment in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognized in the statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

A transfer from the revaluation surplus on property, plant and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost on each reporting date. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the retained earnings.

Depreciation

Depreciation of an asset begins when it's get ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a straight line basis over the expected economic lives as follows:

Group of PPE	Expected economic life
Building & Civil Construction	20 years
Vehicles	5 years
Office Equipments	5 years
Furniture & Fixtures	6 to 7 years
Plant & Machineries	2 to 20 years

Impairment

At each year end, the company assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income in accordance with the provision of Bangladesh Accounting Standards BAS 36 unless the asset is revalued in accordance with BAS 16, in this case, the impairment is also recognized in the statement of profit or loss and other comprehensive income up to the amount of any previous revaluation. No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

An assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or CGUs recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Retirements and disposals

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

3.2 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the company at the functional currency spot rates on the date on which the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3.3 Inventories

Inventories stated at lower of cost and net realizable value as per BAS-2: Inventories. Costs incurred in bringing each product to its present location and conditions are accounted for on a First in First out (FIFO) basis. Costs comprise of expenditure incurred in the normal course of business in bringing out such inventories to its location and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.4 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the 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.

3.5 Revenue Recognition

Revenue is recognized in the statement of profit or loss and other comprehensive income upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity payments are recognized according to the terms set out in the PPA. Energy payments are calculated based on electricity delivered to BPDB.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

3.6 Taxation

Current tax

As per sec. 52N of Income Tax Ordinance 1984, 6% tax is payable at the time of rental received as TDS. Bangladesh Power Development Board (BPDB) shall be responsible for payment of income taxes, VAT, duties, levies, all other charges imposed or incurred inside Bangladesh on any payment made by BPDB to Dutch-Bangla Power and Associates Ltd. or the importation (on a re exportable basis) of any plant /equipment (excluding consumable) and /or spare parts before Commercial Operation Date and /or replacement equipment and spare parts for operation throughout the contract period as per contract No.09756 article-17. As 6% TDS is directly paid by BPDB on the invoice amount. So tax amount is not recognized either income or expenses in the statement of profit or loss and other comprehensive income.

3.7 Borrowing cost

In compliance with the requirement of BAS-23 (borrowing cost), borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of the asset and, therefore capitalized. Other borrowing costs are recognized in the statement of profit or loss and other comprehensive income as finance cost.

3.8 Finance cost

Finance costs comprise interest on long term borrowings, dividend on preference shares and bank charges. All finance costs are recognized in the statement of profit or loss and other comprehensive income except to the extent that are capitalized as per BAS - 23.

3.9 Financial instrument

Financial assets

Financial Instrument within the scope of BAS 39: "Recognition and Measurement" the company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which company becomes a party to the contractual provisions of the transaction. All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, advance and deposits.

(a) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and with banks on current and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

(b) Trade receivables

Trade receivables consist of unpaid bill amounts receivable from Bangladesh Power Development Board (BPDB).

Financial liabilities

As per BAS 39 "Financial Instrument: Recognition and Measurement" the company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the transaction date at which company becomes a party to the contractual provisions of the liability. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, accounts payable and other payables.

(a) Loans and borrowings

Principal amounts of the loans and borrowings are stated at their amortized cost. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Trade payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow of resources from the entity.

(c) Redeemable preference share

The Company had issued redeemable preference shares in June 2011. As per BAS 32: Financial Instruments: Presentation, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability have been classified as liabilities in these financial statements.

3.10 Segment reporting

No geographical and operational segment reporting is applicable for the Company as required by BFRS 8 "Operating Segment", as the Company operates in single operation in a single geographical area.

3.11 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (Note-20).

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential dilutive ordinary shares during the relevant periods.

3.12 Events after reporting date

There have not been any significant events since the reporting date to the date of issue of the financial statements, which could affect the figures stated in the financial statements.

3.13 Commitments and contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

Capital commitments

The Company has no commitment of capital expenditure as at June 30, 2017.

Guarantees

The Company has given a bank guarantee of BDT 20,501,000 (BDT 22,430,000; 2016) to BPDB.

4. Property, plant and equipment

Amount in BDT

Sl. No.	Group of PPE	COST			Depreciation			Written Down Value as at 30.06.2017
		Balance as at 01.07.2016	Addition during the year	Balance as at 30.06.2017	Balance as at 01.07.2016	Charged during the year	Balance as at 30.06.2017	
A.	**At historical cost**							
1	Land	243,412,766	-	243,412,766	-	-	-	243,412,766
2	Building & civil construction	440,050,552	-	440,050,552	90,987,518	22,654,380	113,641,898	326,408,654
3	Plant & machineries	5,386,213,177	337,000	5,386,550,177	1,314,865,558	288,991,712	1,603,857,270	3,782,692,907
4	Vehicles	4,139,557	2,040,000	6,179,557	1,908,224	715,442	2,623,666	3,555,891
5	Office equipments	18,036,694	1,034,087	19,070,781	14,854,931	3,519,755	18,374,686	696,095
6	Furniture & fixtures	2,768,718	-	2,768,718	1,703,267	449,916	2,153,183	615,535
Sub Total		**6,094,621,464**	**3,411,087**	**6,098,032,551**	**1,424,319,498**	**316,331,205**	**1,740,650,703**	**4,357,381,848**
B.	**Revaluation**							
1	Land	300,946,672	-	300,946,672	-	-	-	300,946,672
2	Building & civil construction	7,439,607	-	7,439,607	1,673,908	402,976	2,076,884	5,362,723
3	Plant & machineries	61,229,292	-	61,229,292	13,776,590	3,316,586	17,093,176	44,136,116
Sub Total		**369,615,571**	**-**	**369,615,571**	**15,450,498**	**3,719,562**	**19,170,060**	**350,445,511**
Total 30 June 2017 (A+B)		**6,464,237,035**	**3,411,087**	**6,467,648,122**	**1,439,769,996**	**320,050,767**	**1,759,820,763**	**4,707,827,359**
Total 30 June 2016		**6,461,105,535**	**3,131,500**	**6,464,237,035**	**1,242,711,825**	**197,058,171**	**1,439,769,996**	**5,024,467,040**

		Amount in BDT	
		30 June 2017	30 June 2016
5	**Inventories**		
	Mobil	8,544,310	18,080,718
	Goods in transit	77,412,626	8,289,427
	HFO inventory	215,009,028	30,711,466
	Spare parts	87,545,764	87,391,484
		388,511,729	**144,473,096**
6	**Trade receivables**		
	Receivables from BPDB	957,493,982	720,547,602
		957,493,982	**720,547,602**
7	**Advances, margin and prepayments**		
	Advances (Note 7.1)	84,915,968	30,368,986
	Margin (Note 7.2)	43,970,051	39,388,410
	Prepayments (Note 7.3)	1,431,558	3,901,902
		130,317,576	**73,659,298**
7.1	**Advances**		
	Advance Employee	844,202	1,055,396
	Advance to supplier	10,965,967	3,980,929
	Advance income tax	152,403	112,761
	TDR - Phoneix Finance	321,900	219,900
	Others Receivables	72,631,496	25,000,000
		84,915,968	**30,368,986**
7.2	**Margin**		
	Bank guarantee Margin-PDB	20,501,000	22,430,000
	Bank guarantee Margin-Others	9,989,786	-
	L/C Margin	13,479,265	16,958,410
		43,970,051	**39,388,410**
7.3	**Prepayments**		
	Insurance premium	480,395	83,017
	Bank guaranty charge	-	3,236,892
	Security service	951,162	581,993
		1,431,558	**3,901,902**

		Amount in BDT	
		30 June 2017	30 June 2016
8	**Inter company current A/C**		
	Digital Power and Associates Ltd.	191,546,343	90,873,689
	Orion Gas	54,500,000	52,500,000
	Orion Footwear Ltd.	26,000,000	26,000,000
	Panbo Bangla Mushroom Ltd.	50,000,000	49,000,000
	Orion Power Unit 2 Dhaka Ltd.	203,322,078	203,322,078
	Noakhali Gold Food Ltd.	21,000,000	20,000,000
	Interior Accom Consortium Limited	47,500,000	42,500,000
	Orion Homes Appliance Ltd.	6,800,000	-
	Jaflong Tea Company Ltd.	2,538,415	-
	Orion Oil & Shipping Ltd.	113,331,902	-
	Orion Power Dhaka Ltd	140,646,896	130,241,896
	Orion Power Khulna Ltd	39,430,736	35,232,181
	Orion Properties Limited	9,500,000	9,500,000
		906,116,370	**659,169,844**
9	**Cash and cash equivalents**		
	Cash in hand	520,369	186,855
	Cash at bank (Note-9.1)	5,228,381	6,112,126
		5,748,750	**6,298,981**
9.1	**Cash at bank**		
	Agrani Bank Limited Pr. Branch-020000051380-(101506810)	200,851	506,289
	Bank Asia Ltd.2836000111	99,523	244,212
	AB Bank Ltd.- 4005-788422	535,087	1,668,536
	SIBL - 9021330449659	70,468	3,278,976
	UCB 0951101000009438	97,895	100,000
	Premier Bank, Motijheel	3,528,900	-
	Bank Asia Plaltan Branch 04933001013	93,897	-
	Agrani Bank Limited, A/c No. 0200000264032 (Escrow A/C)	601,760	314,113
		5,228,381	**6,112,126**

	Amount in BDT	
	30 June 2017	30 June 2016

10 Share capital

Authorised capital

100,000,000 Ordinary shares of TK. 10/- each	1,000,000,000	1,000,000,000
	1,000,000,000	**1,000,000,000**

Issued, subscribed, called - up & paid up capital

10,000,000 Ordinary Shares of Tk 10/- each	**100,000,000**	**100,000,000**

The shareholding position of the company are as under:

Name	No. of Share	30 June 2017	30 June 2016
			BDT
Orion Pharma Limited	6,700,000	67,000,000	67,000,000
Shenzhen Nanshan Power Company Ltd.	50,000	500,000	500,000
Mohammad Obaidul Karim	100,000	1,000,000	1,000,000
Salman Obaidul Karim	3,087,500	30,875,000	30,875,000
Mrs. Nudrat S Karim	50,000	500,000	500,000
Jaflong Tea Company Ltd.	2,500	25,000	25,000
Mrs. Arzuda Karim	10,000	100,000	100,000
	10,000,000	**100,000,000**	**100,000,000**

11 Long term borrowings

Agrani Bank Limited	172,712,238	150,145,341
Janata Bank Limited	163,814,937	142,984,182
Agrani Bank Limited - (Working Capital purpose)	16,486,877	34,029,405
Term Loan - AB Bank Ltd.	342,117,392	336,540,503
PAD - AB Bank Ltd.	17,805,327	1,770,001
Term Loan - Union Capital Ltd.	100,000,000	100,000,000
Term Loan - Agrani Bank Limited	472,952,399	522,227,290
Term Loan - Premier Bank Limited	488,400,000	-
GSP Finance Company (BD) Ltd. - Term Loan	-	251,335,949
	1,774,289,170	**1,539,032,671**

12 Preference share

Agrani Bank Limited	500,000,000	500,000,000
	500,000,000	**500,000,000**

13 Trade creditors

Accounts payable - suppliers	1,266,922,312	738,905,747
	1,266,922,312	**738,905,747**

		Amount in BDT	
		30 June 2017	30 June 2016
14	**Accruals & other payables**		
	Interest payable on syndicate loan	58,570,091	526,113,838
	Salary & Others Allownces	12,016,245	19,279,058
	Director remuneration	375,000	4,500,000
	Interest payable on preference share	178,082,194	148,082,194
	Retention money	1,529,051	1,529,051
	Withholding VAT	5,076,897	4,406,998
	Withholding tax	1,843,830	2,354,184
	Other payable	21,166,376	-
	Audit Fee	345,000	345,000
	Lease Finance	3,699,863	2,117,412
	Provision for gratuity	4,470,127	2,936,592
	Provided fund	8,055,937	5,705,186
	Inter company current A/C (14.1)	860,105,265	1,040,631,536
		1,155,335,876	**1,758,001,049**
14.1	**Inter company current A/C**		
	Orion Pharma Ltd.	454,371,831	590,692,239
	Orion Oil & Shipping Ltd.	-	14,864,865
	Orion Power Meghnaghat Ltd.	405,733,434	435,074,432
		860,105,265	**1,040,631,536**
15	**Revenue**		
	Reference rental price	1,244,672,936	1,058,985,000
	Reference energy price (Variable-O&M)	141,829,463	111,170,084
	HFO received from BPDP	4,989,467	158,370,224
	Sales Revenue HFO - OOSL	2,652,806,337	1,406,638,379
	Foreign exchange gain/(loss)	(26,996)	(8,168,703)
		4,044,271,207	**2,726,994,984**
16	**Consumption of mobil & HFO**		
	Mobil	72,826,243	53,850,090
	HFO - OOSL	2,754,990,911	1,497,146,993
	HFO - BPDB	4,989,467	158,370,224
		2,832,806,621	**1,709,367,307**
17	**Operation and maintenance expenses**		
	O & M service	70,896,303	77,307,689
	Repair & maintenance	102,853,015	110,981,819
		173,749,317	**188,289,508**

	Amount in BDT	
	30 June 2017	30 June 2016
18 Other expenses		
Salaries & allowances	61,567,175	38,937,665
Directors remuneration	6,000,000	4,500,000
CSR	6,200,000	5,000,000
Advertisement	3,065,916	1,729,400
Fooding and Entertainment	6,263,509	4,121,460
Office utilities	512,278	410,065
Office communication	795,463	703,386
Fees & taxes	1,518,034	4,600,172
Stationary, accessories & supplies	824,629	334,050
Security service	6,152,490	3,496,287
Travelling & conveyance	2,737,792	1,215,467
Insurance	282,965	32,536
Professional and consultancy fees	710,730	830,000
Audit fee	345,000	345,000
Miscellaneous Exp.	9,472,338	5,542,253
	106,448,319	**71,797,740**
19 Finance cost		
Interest on long term borrowings	220,760,900	307,465,283
Interest on redeemable preference share	75,000,000	56,301,370
Bank charges, commission and fees	8,663,266	12,115,835
	304,424,167	**375,882,488**
20 Earning per share		
The computation is given below:		
Profit after tax	306,792,016	184,599,770
Weighted average number of ordinary shares outstanding during the period	10,000,000	10,000,000
Basic earning per share (EPS)	**30.68**	**18.46**

21. Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company has trade receivables, and cash and bank balances that arrive directly from its operations.

Financial instruments give rise to cash flow interest rate risk, foreign currency risk, other price risk, credit risk, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The company's senior management oversees the management of these risks. The senior management ensures that the financial risk-taking activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with policies and risk appetite.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As a policy, the Company has decided to obtain all its borrowings at fixed interest rates. Hence there is no exposure to the risk of changes in market interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's earnings and cash flows are significantly influenced by US dollars (USD) since USD is the currency in which the company's sales are denominated. The financial position and results of the company can be affected significantly by movements in the BDT / USD exchange rates. Presently, the company does not hedge any exposure on account of foreign currency risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

At present all output of the company is sold to a single customer and trade receivable as on the reporting dates represents amounts receivable from the said customer. The party is a Government owned undertaking and the management does not foresee any risk relating to the credit quality of the customer.

The company evaluates the concentration of risk with respect to trade receivables as low irrespective of the fact that the company's trade receivables are related to a single customer. The above conclusion has been made since the entire receivable is from BPDB which is a Government of Bangladesh undertaking.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the company's Board of Directors on regular basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The table below summarizes the maturity profile of the financial liabilities based on contractual undiscounted payments.

As at June 30, 2017	Long term borrowings	Redeemable preference share	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	1,266,922,312	1,155,335,876	2,422,258,188
Amount repayable within 2 to 5 years	1,774,289,170	500,000,000	-	-	2,274,289,170

22. Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2017 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2016	Addition	Adjustment	Closing Balance as on 30.06.2017
Orion Pharma Ltd.(Share Capital)	Holding Company	Investment in Share Capital	(67,000,000)	-	-	(67,000,000)
Orion Pharma Limited	Holding Company	Intercompany Current A/C	(590,692,239)	(8,379,592)	144,700,000	(454,371,831)
Orion Power Meghnaghat Ltd.	Common Director/ Share holding	Intercompany Current A/C	(435,074,432)	(50,789,282)	80,130,279	(405,733,434)
Panbo Bangla Mushroom Ltd.	Common Director/Share holding	Intercompany Current A/C	49,000,000	1,000,000	-	50,000,000
Digital Power & Associates Ltd.	Common Director/Share holding	Intercompany Current A/C	90,873,689	136,020,000	(35,347,346)	191,546,343
Orion Gas	Common Director/Share holding	Intercompany Current A/C	52,500,000	2,000,000	-	54,500,000
Orion Power Dhaka Ltd	Common Director/Share holding	Intercompany Current A/C	130,241,896	10,405,000	-	140,646,896
Orion Power Khulna Ltd.	Common Director/Share holding	Intercompany Current A/C	35,232,181	4,198,555	-	39,430,736
Noakhali Gold Food Ltd.	Common Director/Share holding	Intercompany Current A/C	20,000,000	1,000,000	-	21,000,000
Orion Properties Ltd.	Common Director/Share holding	Intercompany Current A/C	9,500,000	-	-	9,500,000
Orion Oil & Shipping Ltd.	Common Director/Share holding	Intercompany Current A/C	(14,864,865)	(242,296,094)	370,492,861	113,331,902
Orion Footwear Ltd.	Common Director/Share holding	Intercompany Current A/C	26,000,000	-	-	26,000,000
Orion Power Unit Dhaka - 2	Common Director/Share holding	Intercompany Current A/C	203,322,078	-	-	203,322,078
Interior Accom Consortium Limited	Common Director/Share holding	Intercompany Current A/C	42,500,000	5,000,000	-	47,500,000
Orion Homes Appliance Ltd.	Common Director/Share holding	Intercompany Current A/C	-	6,800,000	-	6,800,000
Jaflong Tea Company Ltd.	Common Director/Share holding	Intercompany Current A/C	-	2,538,415	-	2,538,415

Transaction with Key Management Personnel:

Particulars	Value in BDT
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	6,000,000
Expenses reimbursed to Managing Agent	-
Commission or Remuneration payable separately to a managing agent or his associate	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the period.	-
Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-
Other allowances and commission including guarantee commission	-
Pensions etc.	-
(i) Pensions	-
(ii) Gratuities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-
Share Based payments	-

23. Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2017 (% on licensed capacity)	Plant factor 2016 (% on licensed capacity)
100 MW	106.80 MW	Average 53.80% Max. 76.00%	Average 55.00% Max. 69.00%

24. Employee details

During the period, there were 122 employees employed for the full year and the end of the year with remuneration of BDT 5,609 per month and above.

25. Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

26. Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 24 August 2017.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

AMAR STOCK

SAFA Criteria Checklist (General)

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SAFA Criteria Checklist (Integrated Reporting)

Summary checklist for Integrated Reporting

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Glossary

AGM	Annual General Meeting (AGM) is a mandatory annual meeting of shareholders. At the AGM, company presents its financial statements before the shareholders so that they can raise any queries regarding the financial position of the company.
Associate Company	An associate company (or associate) in accounting and business valuation is a company in which another company owns a significant portion of voting shares, usually 20–50%. In this case, an owner does not consolidate the associate's financial statements.
Authorized Capital	The authorized capital of a company is the maximum amount of share capital that the company is authorised by its constitutional documents to issue (allocate) to shareholders.
Carbon Emissions	Emissions of CO2 and other greenhouse gases from fuel combustion and electricity used in Orion Pharma's own operations in tonnes.
Carbon Footprint	The total amount of greenhouse gases produced to directly and indirectly support human activities, usually expressed in equivalent tons of carbon dioxide (CO2).
Consumer	A person who purchases medicines and drugs of Orion Pharma Ltd. for personal use.
Corporate Governance	The framework of rules and practices by which a board of directors ensures accountability, fairness, and transparency in a company's relationship with its all stakeholders.
CSR	Corporate social responsibility (CSR) refers to business practices involving initiatives that benefit society.
Customer	Chemist shops that sell Orion Pharma's products directly to consumers and in case of export, local companies of exporting countries who purchase medicines from Orion Pharma Ltd.
Due Diligence	Due diligence is an investigation or audit of a potential investment to confirm all facts, such as reviewing all financial records, plus anything else deemed material.
EPS	Earnings per share (EPS) is the net result attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year.
EBIT	Earnings before interest and tax (EBIT) is an indicator of a company's profitability, calculated as revenue minus expenses, excluding tax and interest.
EBITDA	Earnings before interest, tax, depreciation and amortization (EBITDA) is a measure of a company's operating performance. It is a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments.
ETP	Effluent Treatment Plant (ETP), a process to convert wastewater - which is water no longer needed or suitable for its most recent use - into an effluent that can be either returned to the water cycle with minimal environmental issues or reused.
GRI	Global Reporting Initiative (GRI), global standard for sustainability reporting.
IAS	International Accounting Standards (IASs) of the International Accounting Standards Committee.
IFRS	International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board. Since 2001, the new set of standards has been known as IFRS.
Independent Director	An Independent director is a director (member) of a board of directors who does not have a material or pecuniary relationship with company or related persons, except sitting fees and would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
Integrated Annual Report	An integrated annual report is a concise communication about how an organization's strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term.
IPO	An initial public offering (IPO) is the first time that the shares of a private company is offered to the public.
Market Capitalization	Market capitalization (market cap) is the market value at a point in time of the shares outstanding of a publicly traded company, being equal to the share price at that point of time times the number of shares outstanding.
Non-Controlling Interest	Non-controlling interest (NCI) is the portion of equity ownership in a subsidiary not attributable to the parent company, who has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.
Paid-up Capital	Paid-up capital is the amount of money a company has received from shareholders in exchange for shares of stock.
Related Party Transactions	A related-party transaction is a business deal or arrangement between two parties who are joined by a special relationship prior to the deal.
Stakeholder	A person, group or organization that has interest or concern in an organization. Stakeholders can affect or be affected by the organization's actions, objectives and policies. Some examples of key stakeholders are creditors, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business draws its resources.
Subsidiary Company	A subsidiary company is a business entity that is controlled by another organization through ownership of more than 50% of its voting stock.
Succession Planning	The process that employers use to hire, develop, and manage employees who become "successors" to the incumbents vacating positions within an organization.

Thank You

We acknowledge the continued commitment and invincible enthusiasm received from our community, healthcare professionals and chemists which have allowed us to achieve this great accomplishment. We would alos like to extend our wholehearted thanks and gratitude to the host Government, regulatory bodies, shareholders, valued customers, financial institutions and well-wishers for their co-operation and support in the development of the Company. We also like to express our appreciation to the Board of Directors for their guidance, co-operation and support to drive the Company in the right direction. We would also like to express heartfelt appreciation to all the workers and employees of the Company who rendered their devoted services for the welfare of the Company. Without your support OPL could not be such a success. We hope that the years ahead will see all of you supporting us with the same zeal and enthusiasm to achieve targets and transcend them as well and eventually raise our standards to a new level.

ORION PHARMA LIMITED

153-154, Tejgaon Industrial Area, Dhaka-1208.

PROXY FORM

I/We _____of _____being a member of Orion Pharma Limited hereby appoint Mr./Mrs._____ of _____as my proxy to attend and vote for me/us on my/our behalf at the 52nd Annual General Meeting of the Company to be held on Thursday, the 14th December, 2017 at 10:30 a.m. at Officers Club, 26, Baily Road, Ramna, Dhaka. and at any adjournment thereof.

As witness my/our hand this_____ day of _____2017 signed by the said in presence of _____

_____
(Signature of the Proxy)

Revenue Stamp Tk. 20.00/-

_____
Signature of the Shareholder(s)
Register Folio/BO No. _____
Dated _____

_____
Signature of Witness

Note:
A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

_____
Authorised Signatory

ORION PHARMA LIMITED

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my attendance at the 52nd Annual General Meeting of the Company to be held on Thursday, the 14th December, 2017 at 10:30 a.m. at Officers Club, 26 Baily Road, Ramna, Dhaka.

Name of Member(s)_____ Register Folio / BO No._____

holding of _____ ordinary Shares of Orion Pharma Limited.

_____
(Signature of the Proxy)

_____
Signature of the Shareholder(s)

N.B.

1. Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
2. Please present this slip at the reception Desk.

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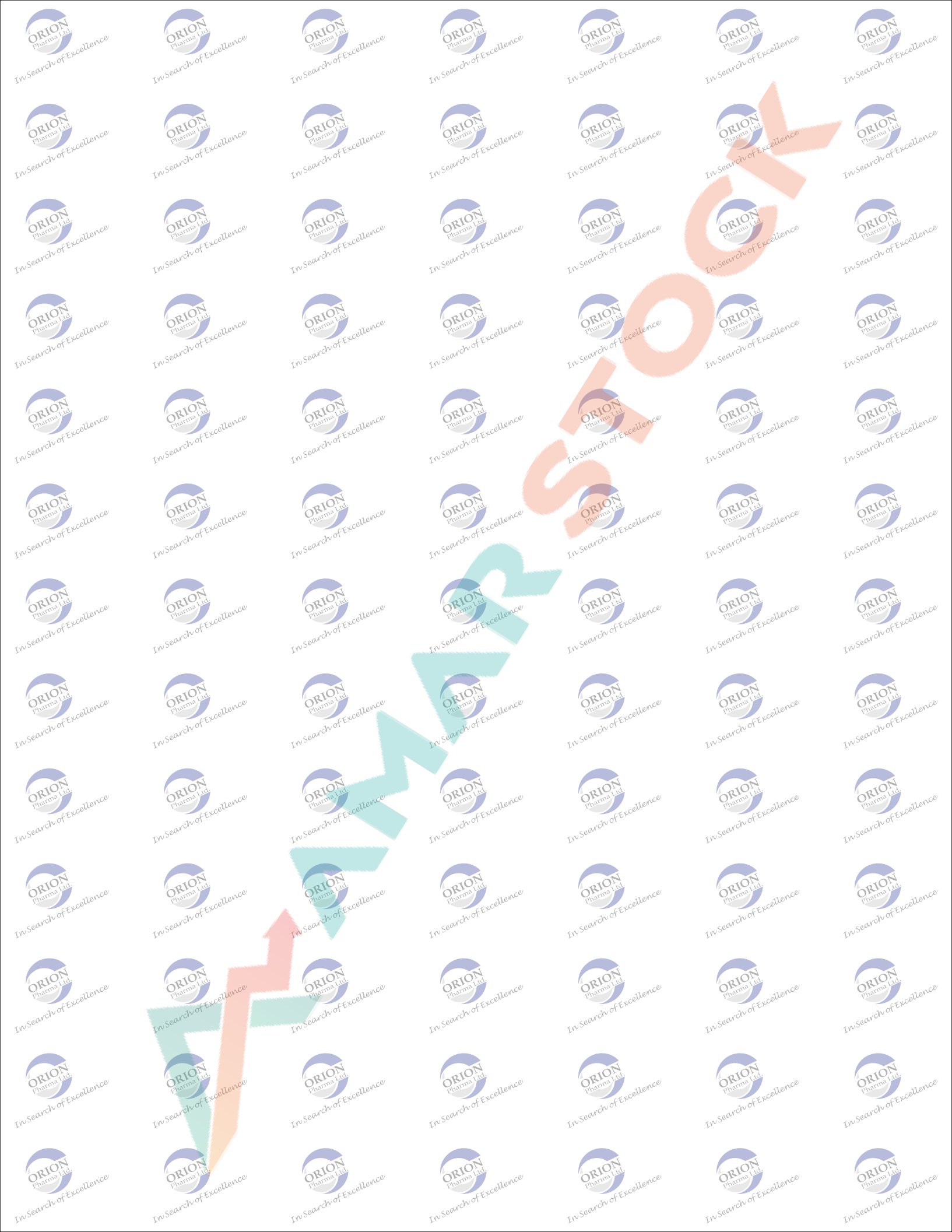
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Dhaka, Bangladesh

Corporate Office : Orion House, 153-154 Tejgaon I/A, Dhaka-1208, Bangladesh
Phone : PABX : +88 02 8870133, 8870134, Fax : +88 02 8870130
www.orionpharmabd.com