

Integrated Annual Report

2021-22



In Search of Excellence



Orion Pharma Limited believes that improving quality is a continuous process and it is our commitment, prime responsibility and priority to make lives better by ensuring proper health. All our business practices and efforts are in consistence with our key aim

Healthier Life, Our Commitment

As a part of this commitment, we are morally obligated to deliver quality medicines to patients in need. This year we successfully launched 14 (fourteen) medicines. We feel proud to be able to help our society which again supports our ultimate motive of making lives healthier.

Our company has a holistic approach towards corporate responsibility and believes in building a long-term sustainable business by also considering our impacts on the environment in which we operate. Pharmaceutical waste affects the environment and those living near production plant. Therefore, taking steps towards nurturing the environment brings us closer to our aim of making lives healthier. We try to operate as a responsible business in all aspects which enables us to continue taking a step closer to our promise of making lives healthier.

Letter of transmittal

All Shareholders
Registrar of Joint Stock Companies and 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, 2022

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 13, 2022, to hold 57th Annual General Meeting of the Company on December 28, 2022.

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, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2022 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: December 04, 2022

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 hard copy of the report is available at the company's registered office and the electronic version of the report is available online at www.orionpharmabd.com

REQUEST FOR FEEDBACK

We would appreciate the views, comments, questions and opinions from all stakeholders on the Integrated Annual Report 2021-22. The stakeholders can share their observation; ask for any information requirements or any query at the following addresses:

 **Corporate Address**
Orion House
153-154 Tejgaon I/A,
Dhaka-1208, Bangladesh

 **Contact**
Phone: +88 02 8870133
Fax: +88 02 8870130

 **E-mail Address**
orion@orion-group.net
orion.share@orion-group.net

 **Website**
www.orionpharmabd.com
www.orion-group.net

 **Facebook**
www.facebook.com/OrionPharmaLtdbd/
www.facebook.com/oriongroup.dhaka.bangladesh/



In Search of Excellence

Registered office:
ORION HOUSE
153-154, Tejgaon I/A, Dhaka-1208, Bangladesh

NOTICE OF THE 57TH ANNUAL GENERAL MEETING

Notice is hereby given that the **57th Annual General Meeting (AGM)** of the Shareholders of **Orion Pharma Limited** will be held on **Wednesday, December 28, 2022 at 03.00 PM** on a Digital Platform, to transact the following businesses :-

Agenda

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022 together with the Auditors' Report and Directors' Reports thereon.
- To approve dividend for the year ended June 30, 2022.
- To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
- To appoint Statutory Auditors and to fix their remuneration for the financial year 2022-2023.
- To appoint Corporate Governance Compliance Auditors and to fix their remuneration for the financial year 2022-2023.
- To transact any other business with the permission of the Chair.

By Order of the Board

Date: December 04, 2022
Dhaka

Sd/-
Md. Ferdous Jaman
Company Secretary

Note

- Shareholders whose names appeared in the Depository/Members Register on the Record Date (December 04, 2022) are eligible to join the meeting and will qualify for Dividend.
- A member entitled to join and vote at the Annual General Meeting may appoint a proxy to join and vote on his/her behalf. The Proxy Form, duly stamped (BDT 20.00), must be sent to the Company's Corporate Office or through e-mail (orion.share@orion-group.net) not later than 48 hours before the time fixed for the meeting and in default, Proxy Form will not be treated as valid.
- Annual Report and Proxy Form along with the notice will be sent to all the members through post/courier/e-mail. The members may also collect the Annual Report or the Proxy Form from the webpage (www.orionpharmabd.com) of the Company. AGM joining procedure will be notified later through E-mail/SMS.
- Members are requested to update their BO ID contact information i.e. address, mobile no. and e-mail address through their concerned DP.

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Contribution to the Sustainable Development

GOALS

The United Nations adopted 17 (seventeen) Sustainable Development Goals (SDGs) as a set of collective targets for the world with the aim of solving global problems and attaining these goals by 2030. In our endeavors, we are actively committed to contributing to the achievement of the SDGs and accordingly we have identified 10 (ten) goals based on the evaluation of impacts of our business operation on SDGs across the entire value creation model. How we are contributing towards achievement of SDGs are illustrated below:



GOAL 2 ZERO HUNGER

- Relief to distressed people during Covid-19 pandemic
- Iftar to underprivileged of society

GOAL 3 GOOD HEALTH AND WELL-BEING

- Responding to the unmet medical needs of the society
- Monitoring safety of medicines
- Health awareness campaigns in social and print media
- Offering discounted price for medicine to cancer patients

GOAL 4 QUALITY EDUCATION

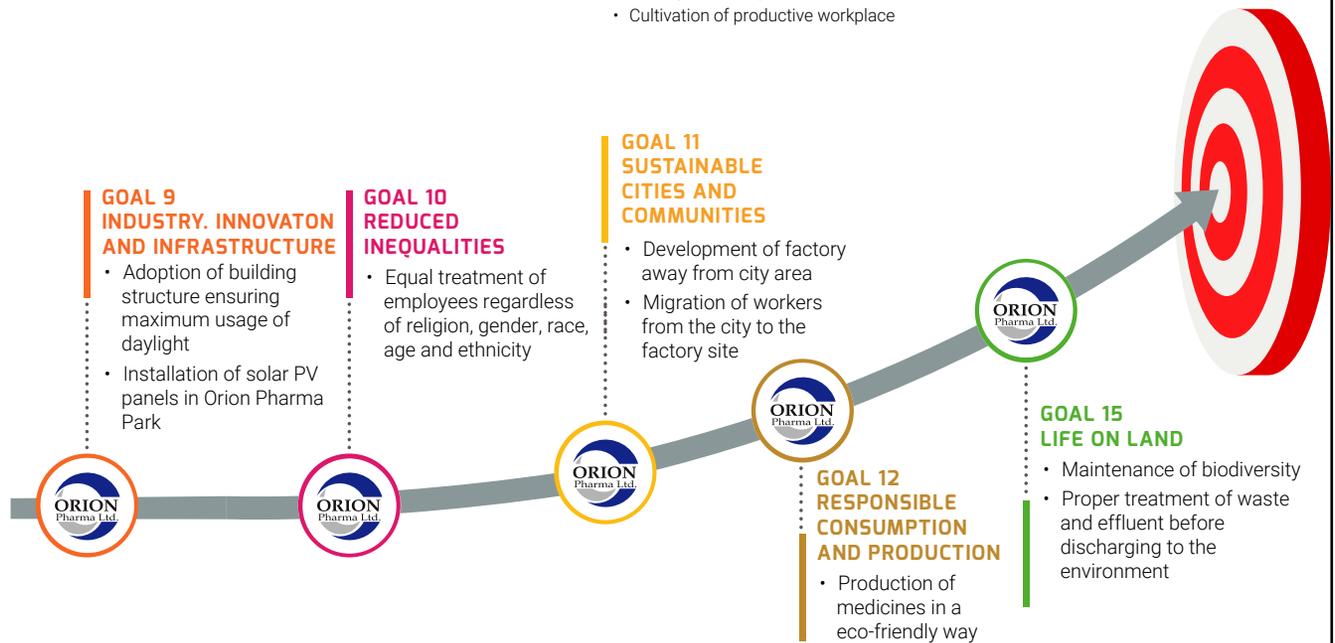
- Offering scholarship to medical students
- Supporting the children of deceased employees to complete their studies

GOAL 6 CLEAN WATER AND SANITATION

- Liquid and solid waste management
- Reduced water usage

GOAL 8 DECENT WORK AND ECONOMIC GROWTH

- Maintenance of occupational health and safety
- Employee training and development
- Cultivation of productive workplace



Our approach to integrated **REPORTING**

We are proud to be one of the early adopters of Integrated Reporting particularly in the manufacturing sector of Bangladesh and presenting our 7th Integrated Annual Report demonstrating our governance structure, business strategy, risks and opportunities, as well as operational performance for the financial year ended June 30, 2022.

This Integrated Report concisely depicts the general picture of the company including how it creates values through its normal course of business in the context of its strategy, opportunities and risks and gives stakeholders a holistic view of the organization's financial and non-financial performance for the financial year ended June 30, 2022. This report is prepared based on the information which is material, useful, relevant and meaningful to stakeholders for their understanding of the company's ability to build value in the short, medium and longer term.

Scope & boundary

This report covers the activities and performance of Orion Pharma Limited including global operations and its operating subsidiaries with a view to providing a true and transparent picture of the company to all 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. For facilitating proper decision-making by our stakeholders, the company's separate as well as the consolidated audited financial statements are presented here. For better understanding of the performance of the subsidiaries, a separate subsidiary report comprising of the Directors' Report as well as the audited financial statements of each subsidiary for the reporting financial year are included in this report. This Integrated Report is prepared in line with the guidelines of Integrated Report issued by the Institute of Chartered Accountants of Bangladesh (ICAB) referred to as the 'Integrated Reporting Checklist' which is along the lines of Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC).

There have not been any significant changes to the scope, boundary and reporting basis since the last reporting date and therefore, this report has been prepared on the same basis as the 2020-21.



Reporting period

Orion Pharma Limited presents its 2021-22 Integrated Annual Report for the financial year from July 01, 2021 to June 30, 2022 with comparative prior period information where applicable. In addition to this, subsequent events upto the issuance of this report have also been described in various sections of the report.



Reporting framework

Integrated reporting

- Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)

Financial reporting

- International Financial Reporting Standards
- International Accounting Standards

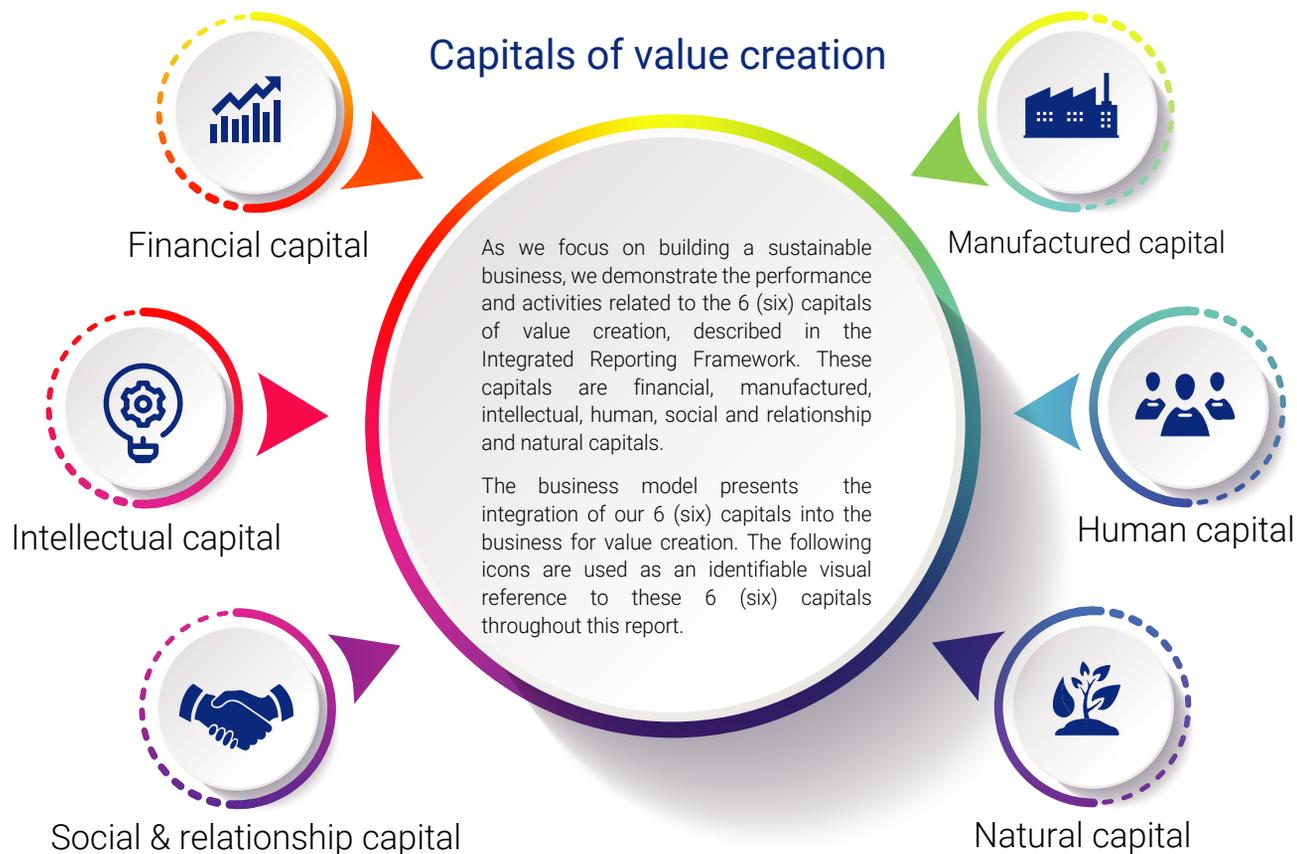
Corporate governance reporting

- Corporate Governance Code issued by BSEC in 2018

Regulations

- Companies Act, 1994
- Securities and Exchange Ordinance, 1969
- BSEC's Laws, Orders, Notifications, Directives, Guidelines etc.
- The Income Tax Ordinance, 1984
- Other relevant laws and regulations of the land

Capitals of value creation



Key elements of our Integrated Report



Key qualitative attributes of our Integrated Report



Materiality
identification



Conciseness



Reliability and
completeness



Consistency and
comparability



Connectivity of
information



Assurance

External assurance of the integrity of the report

The company has applied combined assurance practices from various independent external assurers on the following reports:

Assurance on	Assurance provider
Consolidated and separate financial statements of Orion Pharma Limited	Malek Siddiqui Wali Chartered Accountants
Financial statements of Orion Power Meghnaghat Limited	S.F. Ahmad & Co. Chartered Accountants
Financial statements of Dutch Bangla Power & Associates Limited	S.F. Ahmad & Co. Chartered Accountants
Corporate governance compliance	ARTISAN Chartered Accountants
Provident fund	Habib Sarwar Bhuiyan & Co. Chartered Accountants
Credit rating	Credit Rating Agency of Bangladesh Ltd.

Responsibility over the integrity of the Integrated Report

The Board and the management acknowledge their responsibility to apply their collective endeavour to the preparation and presentation of this report and ensure that all material matters have been addressed and fairly presented in this Integrated Report. In addition, the Board states that the Integrated Report has been prepared as per the stated reporting frameworks.

The Board has approved the Directors' Report of the company to be published in the Integrated Annual Report for the financial year 2021-22 in its meeting held on November 13, 2022

Forward looking statements

Certain statements in this report particularly under the points "Opportunities & outlook" contain forward looking statements which are highly based on assumptions and predictions. Some of the major issues highlighted under this point are future financial performance, growth in production and sales, achievement of international certification, new markets etc. These statements do not guarantee any future outcome rather demonstrate our current expectations. However, actual results might differ significantly from 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 statement of this report.



Disclaimer

This disclaimer sets out the conditions for use of contents in this Integrated Annual Report. This report's contents are for information for the company's stakeholders including shareholders and is not intended to endorse, promote or recommend products listed in it which are for representation purpose only.

Materiality assessment & REPORTING

We always believe that issues which have impact on our performance and help our stakeholders derive a decision are material and therefore, need to be identified and addressed. Identifying and reporting these material issues is an integral part for preparation of our annual report because it helps to make the report both concise and rich, in terms of providing appropriate insight into the past performance and future outlook of the entity.

Issues highly material for both internal & external stakeholders

- ▶ Maintain quality products
- ▶ Monitor safety of products through pharmacovigilance
- ▶ Sustained financial performance
- ▶ Strong research and development
- ▶ New product development assessment
- ▶ Corporate governance
- ▶ Business ethics and code of conduct
- ▶ Compliance
- ▶ Broader market with strong foundation
- ▶ Occupational health and safety

Issues highly material for internal stakeholders

- ▶ Improved productivity
- ▶ Strict cost control and management
- ▶ Strong brand image
- ▶ Knowledge based professional team
- ▶ Global footprint expansion
- ▶ Talent management through training and education
- ▶ Employee engagement
- ▶ Monthly appraisal
- ▶ Eco-friendly staff practices
- ▶ Conservative use of natural resources

Issues highly material for external stakeholders

- ▶ Respond to customers within a reasonable time
- ▶ Community engagement
- ▶ Environment-friendly production plan
- ▶ Efficient waste management
- ▶ Safe expired product destruction

Materiality assessment process

Identification

The management team and the representatives of functional departments go through extensive consultation and document review based on the previous year's material topics to derive at the issues that are of major importance and have substantial impact on the company's value creation for its stakeholders. Regular communication and engagement with potential stakeholders is conducted to obtain inputs in the process of identifying material issues.



Prioritization

Identified issues are prioritized based on their relative importance to value creation. Both financial and qualitative risks, opportunities and strategic objectives of the company are considered when prioritizing the material aspects and determining how they affect stakeholders and their goal of attaining maximum utility from our business operations.



Disclosure & reporting

Identified material issues are disclosed and reported for stakeholders' information and their decision making purposes.



Review & monitoring

The materiality assessment process and identified material topics are reviewed periodically by key functional heads and top management to enrich our materiality analysis process.

Dexlion

Dexlansoprazole 30 mg & 60 mg Capsule



The Lion of All Antiulcerants

About our Group

Founded over 4 (four) decades ago, Orion Group is a recognized and diversified conglomerate in Bangladesh. Initially established as one of the front-runners in the pharmaceutical industry, Orion later diversified into many other sectors and has leadership positions in many of the most demanding and attractive industries including power & energy, infrastructure development, real estate, cosmetics & toiletries. The Group is built on a strong foundation of determination, excellence, integrity and a firm promise to deliver value to its key stakeholders. The Group is highly committed in bringing great changes in the socio-economic development of the country as well as in making a future which is more productive, secure and sustainable.

The Group has grown into a large conglomerate through revealing valuable new growth opportunities after starting its journey back in early 80's. It has undergone potential expansion in multiple sectors due to its responsible business practices. The Group mainly operates in 11 (eleven) sectors containing pharma & healthcare, power & energy, infrastructure development, real estate, cosmetics & toiletries, high-tech agro & consumer products, textiles & garments and home appliances.

There are 3 (three) publicly-listed companies of Orion Group namely; Orion Pharma Limited, Orion Infusion Limited and Kohinoor Chemical Company (Bangladesh) Limited.

The Group is ranked among the most important multidisciplinary Groups and advocates for the principles of care for the future, high professionalism, employee-centric approach, financial stability, transparency, safety and leadership. It is striving to strengthen its market access, formulating its competitive strategies and putting emphasis on productivity enhancement, thus playing a pivotal role in the country's commerce & trade sectors. Orion Group will continue to adopt coherently set strategies and objectives to contribute to all our stakeholders. The strategies also focus on addressing the economic and social development along with its long-term commitments to the citizen of the country. The Group will keep working to foster sustainable economic development of the country.



Corporate Ethos



To transform communities by blending the mix of integrity, teamwork and creativity of our people



Customer

- Exceeding customer satisfaction and granting trust through quality services



Product & Process

- Assuring quality products from advanced manufacturing facilities
- Introducing new and innovative products and technologies



People & Performance

- Continuous development of people competency
- Recognizing individual contribution



Sustainability

- Quality in everything we do
- Transparent and fair in all our dealings



Leadership

- Take initiative to exceed standards



Co-operation

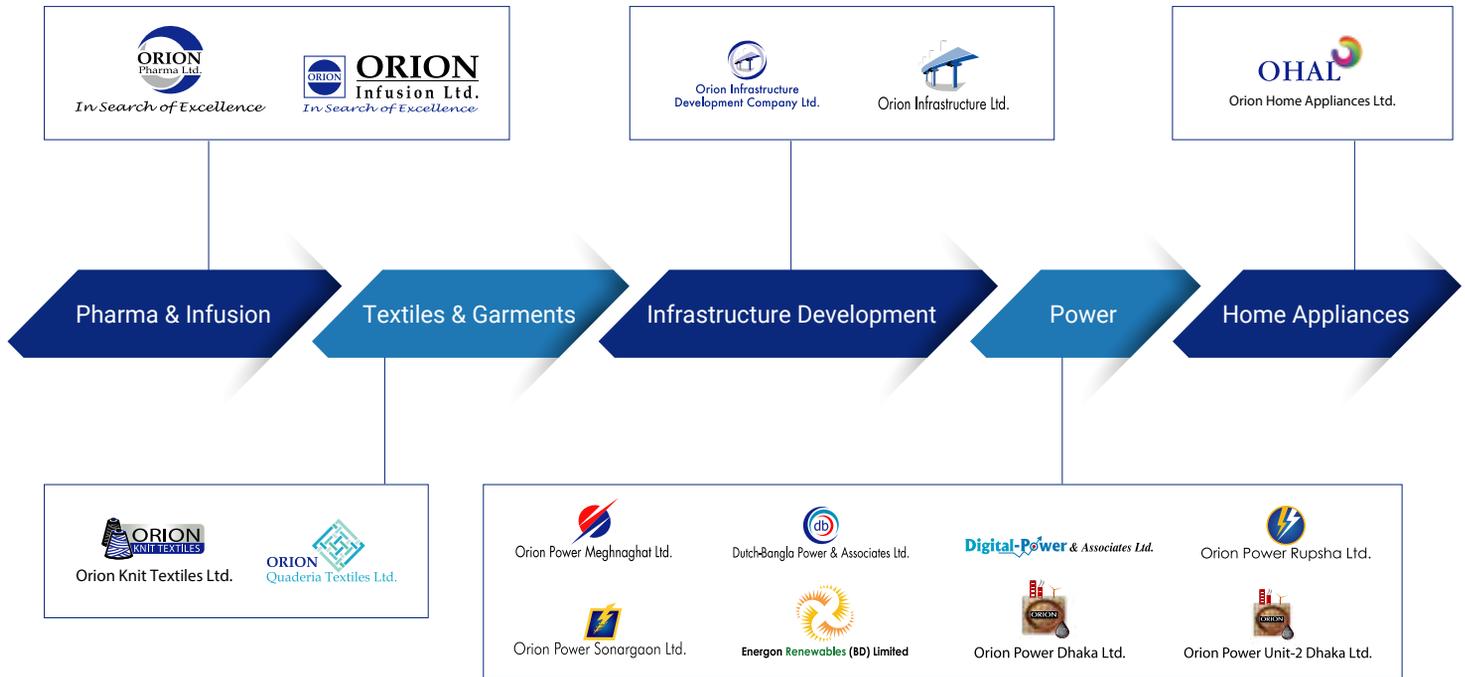
- Trust and respect for each other
- Work as a team



Responsibility

- Share social responsibility

Group SBUs



Landmark projects



The LONGEST Flyover

The first successful PPP project of the country is ORION's 11.80 km long Elevated Expressway "Mayor Mohammad Hanif Flyover" operational since October 2013 and connecting Dhaka with 40 (forty) districts.



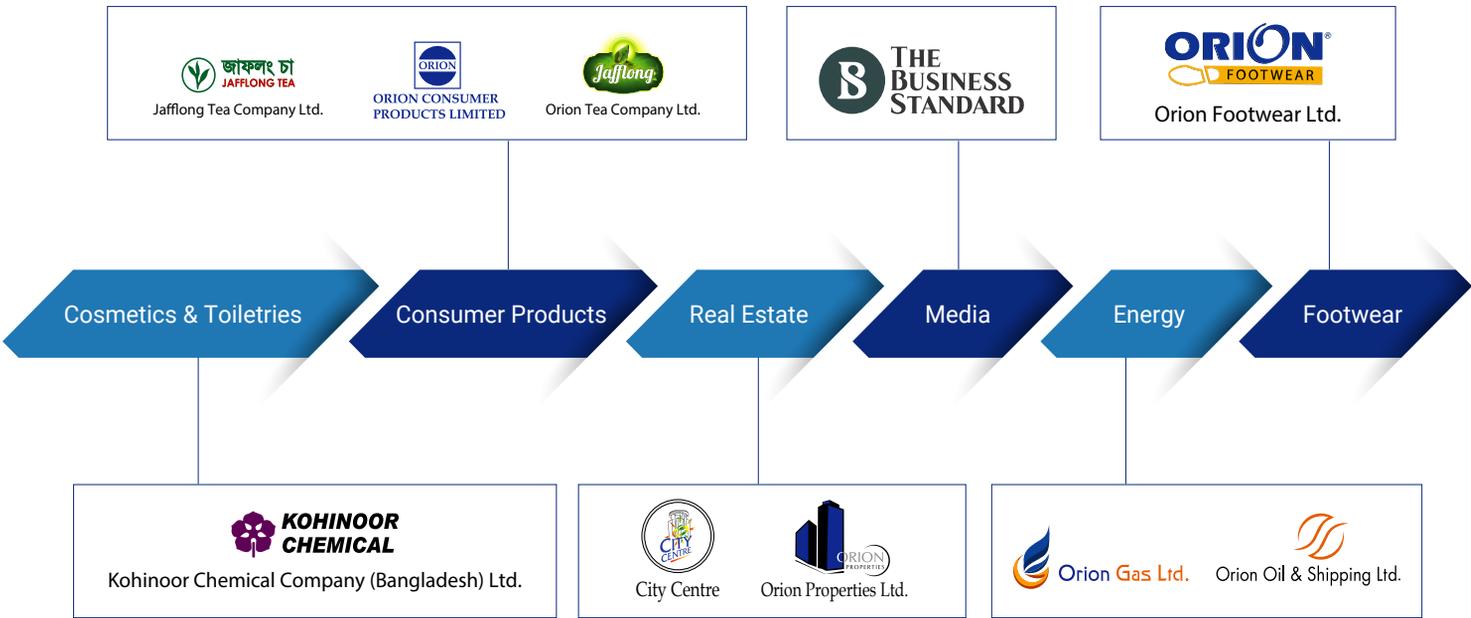
The MOST TECHNOLOGICALLY ADVANCED HFO Power Plants

The 3 (three) HFO based power plants - the 100 MW Dutch Bangla Power & Associates Ltd. at Narayanganj, the 100 MW Orion Power Meghnaghat Ltd. at Narayanganj and the 105 MW Orion Power Rupsha Ltd. at Khulna were completed in just 9 (nine) months each.



The TALLEST Building

The 37-storied "City Centre" is the tallest building and the most prestigious landmark in country's skyline. This building is the first commercial cum multistoried parking complex at Motijheel, Dhaka and is managed through Building Management System.



The MOST MODERN Pharma Park

ORION is implementing one of the biggest Pharma Parks of the country at Narayanganj where a complete array of pharmaceutical facilities and solutions will be incorporated within a single complex, following all latest global standards.



The ULTRA SUPER-CRITICAL Coal Power Plants

The 630 MW Orion Power Dhaka Ltd. and the 635 MW Orion Power Unit -2 Dhaka Ltd. are two of the largest IPP based single unit coal based Ultra Super-Critical power plants being implemented in Munshiganj.



The BIGGEST Solar Power Plant

Orion has implemented 100 MW PV AC Solar Based Power Project named Energon Renewables (BD) Limited in Bagerhat. This Project is the largest ecofriendly power project to provide clean energy by using Solar Panel from Longi Solar Technology Company Limited, China.

Company information

Section

A

General 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 Limited and Chittagong Stock Exchange Limited since 2013

Corporate Office

ORION HOUSE
153-154, Tejgaon Industrial Area
Dhaka-1208, Bangladesh
Tel: +88 02 8870133
Fax: +88 02 8870130

Factory Address

Sumilpara, Siddhirganj
Narayanganj, Bangladesh

Company E-mail

orion@orion-group.net
orion.share@orion-group.net

Company Website

www.orionpharmabd.com
www.orion-group.net

No. of Employees

2,791

Section

B

Board & Committee information

Board of Directors

- Mr. Mohammad Obaidul Karim
- Mrs. Arzuda Karim
- Mrs. Zareen Karim
- Mr. Salman Obaidul Karim
- Mrs. Hasina Begum
- Mr. Md. Shafiqur Rahman
- Mr. A. N. M. Abul Kashem

Audit Committee

- Mr. Md. Shafiqur Rahman
- Mr. A. N. M. Abul Kashem
- Mr. Salman Obaidul Karim

Nomination & Remuneration Committee

- Mr. Md. Shafiqur Rahman
- Mr. A. N. M. Abul Kashem
- Mr. Salman Obaidul Karim

Risk Management Committee

- Mr. A. N. M. Abul Kashem
- Mrs. Arzuda Karim
- Mrs. Zareen Karim

Company Secretary

Mr. Md. Ferdous Jaman

Chief Financial Officer

Ms. Monowara Khatoun

Head of Internal Audit & Compliance

Mr. Md. Shahidul Islam

Section

C

Financial details of the company

Authorized Capital

BDT 5,000,000,000

Paid-up Capital

BDT 2,340,000,000

No. of Shareholders

33,593

Section

D

Other details

Statutory Auditors

Malek Siddiqui Wali
Chartered Accountants
9-G, Motijheel C/A, 2nd Floor
Dhaka - 1000, Bangladesh

Corporate Governance Compliance Auditor

ARTISAN
Chartered Accountants
Sonargaon Terrace (2nd Floor)
House - 52, Road - 13/C, Block - E
Banani, Dhaka - 1213, Bangladesh

Subsidiaries

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

Associate

Orion Infusion Limited

Bankers

- Agrani Bank Limited
- Sonali Bank Limited
- Rupali Bank Limited
- National Bank Limited
- Social Islami Bank Limited
- Bank Asia Limited
- Janata Bank Limited
- City Bank Limited
- AB Bank Limited
- Al-Arafah Islami Bank Limited

Insurers

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

Company philosophy

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

Our VISION



Our MISSION

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

Our CORE VALUES



INTEGRITY

We act with integrity, honesty and transparency



QUALITY

We are committed to excellence of quality of our products



RESPECT

We treat each other with respect and uphold the dignity of people



MOTIVATION

We value, develop, encourage and motivate every member of our company



SAFETY

We value safety to be the utmost priority in all our decision making process and activities



TEAMWORK

We encourage and nurture the culture of teamwork



COLLABORATION

We collaborate to strengthen the communities in which we operate



SUSTAINABILITY

We believe in sustainable business from economic, environment and social aspects

Our company at a glance

Established in 1965, Orion Pharma Limited (OPL) is a pharmaceutical company focused on improving the health of patients through its reliable and affordable pharmaceutical products. Based on this, the company emphasizes on responsible and sustainable growth through wide generic portfolio and strong customer relationships across both local and global markets. Being active at every stage of the value chain, maximizing the value we create for our business and its diverse stakeholders is our focal area.

Orion Pharma Park

Our pharmaceutical manufacturing plant named Orion Pharma Park is one of the biggest and finest pharmaceutical complexes of the country. The Orion Pharma Park is located in Siddhirganj, Narayanganj. The plant is well designed and equipped with all latest facilities and state-of-the-art technologies.



More information about the plant is discussed elaborately in the 'Manufactured capital' of this Integrated Annual Report.



Corporate overview

Our company at a glance

Our portfolio >>>

Our company produces capsules, tablets, syrups, suspensions, injections, dry powder for syrups/suspensions, creams/ointments etc. under different classifications including anticancer, cardiovascular, antibiotics, anti-diabetics, anxiolytics, antihistamines, antiulcerants, NSAIDs, vitamins & minerals and many others. With growing markets and an increasing reach, this pharmaceutical powerhouse is operating with 124 brands and 223 presentations with the anticipation of rapid growth and innovation. OPL always strives to come up with new ways of using existing medicines, new dosage combinations, new indications, different flavors and enhanced packaging that improve patient adherence. We are continually focused on increasing the breadth and depth of our therapeutic portfolio and have been working on various new products including cephalosporin and oncology categories.

223
Presentation

123
Generics

124
Brands



114
Tablets



26
Capsules



30
Liquids &
suspensions



30
Injections



18
Powder for
suspensions



05
Creams/
ointments

Our global presence >>>

OPL 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. As of now, we have overseas marketing network in Asia, Middle-East, Europe and Africa.



Corporate overview

Our company at a glance

Associate >>>

OPL owns 21.76% of shares in Orion Infusion Limited (OIL), another concern under the banner of Orion Group. OIL produces Large Volume Parenteral (LVP) & other life-saving injectable products.

Orion Infusion Ltd. >>>

Orion Infusion Limited (OIL) was incorporated in 1983 as a state-of-the-art Large Volume Parenterals (LVP) manufacturing company. In 1994, the company became a public limited company and was listed in DSE. Subsequently in 1996, the company was enlisted with CSE as well.

OIL is one of the leading pharmaceutical companies in Bangladesh with cutting

edge technologies for manufacturing and marketing of IV Fluid, lifesaving intravenous and intravascular saline like Rehydration Solution, Electrolyte Solution, Amino Acid Solution, Antimicrobial products viz. Ciprofloxacin IV, Metronidazole IV, Ceftriaxone IV & Plazma Substitute viz. Hydroxyethyl Strach Solution.



Subsidiaries >>>

OPL owns 95% of shares in Orion Power Meghnaghat Limited (OPML) and 67% of shares in Dutch Bangla Power & Associates Limited (DBPAL), 2 (two) concerns of Orion Group. OPML is a 100 MW HFO power plant on quick rental basis in Meghnaghat, Narayanganj. DBPAL is another 100 MW HFO power plant on quick rental basis in Siddhirganj, Narayanganj.

Orion Power Meghnaghat Ltd. >>>

Orion implemented a 100 MW HFO based power plant, under the Government's Quick Rental Power Plant (QRPP) policy, situated in the power village of Meghnaghat, Narayanganj, near the bank of river Meghna. The construction of the plant was completed in a record time of just 9 (nine) months and is connected with National Grid, Sonargaon Substation.

The plant has been distributing electricity to the national grid on regular basis since 2011.



Dutch Bangla Power & Associates Ltd. >>>

Dutch Bangla Power & Associates Limited was implemented as a 100 MW HFO Quick Rental Power Plant (QRPP) policy, situated in Siddhirganj, Narayanganj, beside the bank of river Shitalakshya. This construction was also completed in only 9 (nine) months and is connected with National Grid, Siddhirganj Substation.

The plant has been distributing electricity to the national grid on regular basis since 2011.



Chronicle of events

1965

2004

Foundation Phase

- Incorporation of the company with the name - Orion Laboratories Limited
- Commencement of production
- 1st time production of following generics in Bangladesh-
 - Zinc Sulphate (Brand name - Pep)
 - Vitamin E + Vitamin C (Brand name - EC - Plus)
 - Furosemide + Spironolactone (Brand name - Frulac)
 - Desloratadine (Brand name - Deslor)
- 1st time locally manufacturing of Mecobalamin Generic in Bangladesh (Brand name - Nervex)

2005

2012

Growing Phase

- First entry into the international market; export to Nepal and Myanmar
- 1st time locally manufacturing of Tiemonium Methylsulphate Generic in Bangladesh (Brand name - Onium)
- 1st time production of following generics in Bangladesh-
 - Alverine Citrate (Brand name - Alve)
 - Magaldrate + Simethicone (Brand name - Novelta)
 - Acemetacin (Brand name - Tendonil)
 - Cefditoren (Brand name - Cefditor)
- Achievement of ISO 9001:2008 Certificate
- Conversion to public limited company
- Change of company name to Orion Pharma Limited
- Start of commercial operation of 2 (two) subsidiaries (Power generation plants)

2013

2022

Expansion Phase

- Listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited
- Export to Srilanka, Lesotho, Armenia, Bhutan, Cambodia, Afghanistan, Sudan, Somalia, Somaliland, Fiji, Iraq, Yemen, Kosovo and Ethiopia.
- Successful achievement of ISO 9001: 2015 certification

Our Awards



Joint Winner Position for the "Best Presented Annual Report 2019" under the category: Manufacturing Sector by SAFA



2nd position for the "Best Presented Annual Reports-2019" under category: Manufacturing Sector by ICAB



Silver Award for the "Corporate Governance Excellence-2019" under category: Pharmaceutical and Chemical Companies by ICSB



Bronze Award for the "Best Corporate Award-2019" under category: Pharmaceuticals Manufacturing sector by ICMAB



3rd (joint) position in 19th ICAB National Award for Best Presented Annual Report 2018



Certificate of Merit in South Asian Federation of Accountants (SAFA) Best Presented Annual Report Awards 2018



Silver award in 6th ICSB National Award for Corporate Governance Excellence, 2018



Certificate of Silver award in 6th ICSB National Award for Corporate Governance Excellence, 2018



3rd (joint) position in 18th ICAB National Award for Best Presented Annual Report 2017



2nd position in 17th ICAB National Award for Best Presented Annual Report 2016



2nd Runner Up in South Asian Federation of Accountants (SAFA) Best Presented Annual Report Awards 2016



2nd position in 15th ICAB National Award for Best Presented Annual Report 2014

Board of Directors

MR. MOHAMMAD OBAIDUL KARIM

Chairman &
Non-Executive Director

MRS. ZAREEN KARIM

Managing Director

MRS. ARZUDA KARIM

Non-Executive Director

MR. SALMAN OBAIDUL KARIM

Non-Executive Director

MRS. HASINA BEGUM

Non-Executive Director

MR. MD. SHAFIQR RAHMAN

Independent Director

MR. A. N. M. ABUL KASHEM

Independent Director



MR. MOHAMMAD OBAIDUL KARIM

Chairman

Appointment as Director

Mr. Mohammad Obaidul Karim has been a Director of the company since 1984 and was unanimously appointed as the Chairman of the Board in 2014.

Educational qualification(s)

Mr. Karim graduated from University of Dhaka.

Board Committee(s) served on

Mr. Karim does not hold membership in any sub-committee of the Board.

Directorship(s) in other companies

Currently Mr. Karim is also the Chairman of Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Power Rupsha Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Knit Textiles Limited, Orion Footwear Limited, Orion Agro Products Limited, Orion Capital Limited, Orion Natural Care Limited, Orion Tea Company Limited, Orion Quaderia Textiles Limited and Orion Consumer Products Limited.

Responsibilities and achievements

Mr. Mohammad Obaidul Karim is a distinguished self-achieved industrialist & businessman. Mr. Karim's business career started in the early 1980s with his first pharmaceutical company named

Orion Laboratories Limited, which is now known as Orion Pharma Limited. He turned the company into one of the most successful businesses of the country. Inspired by the success of this company, Mr. Karim founded another company in the same business sector named Orion Infusion Limited.

He is the Founder 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 heads the Group through his rich experience in diversified sectors. All concerns of Orion Group were formed under his dynamic leadership and management which have received various industrial recognitions.

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 11.8 km long Mayor Mohammad Hanif Flyover, the longest flyover and the first ever successful PPP project of the nation. Also, Orion Group built City Centre, the tallest commercial complex cum car parking in Motijheel, 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 1 (one) ultra-supercritical coal based power plant of 635 MW (net) under IPP (apart from 500 MW current generation under HFO), under the Ministry of Power of the Government of Bangladesh.

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



MRS. ZAREEN KARIM

Managing Director

Appointment as Director

Mrs. Zareen Karim has been serving as the Director of the Board since 2010 and was appointed as the Managing Director in 2020.

Educational qualification(s)

Mrs. Zareen Karim holds an MBA in Marketing from North South University.

Board Committee(s) served on

Mrs. Zareen Karim is the member of the Risk Management Committee since 2020.

Directorship(s) in other companies

Mrs. Zareen Karim sits on the Board of Orion Infusion Limited, Orion Holdings Limited and The Business Standard. She is also the Director of Star Associates Limited and Zeysha Fashionwear Limited.

Responsibilities and achievements

Mrs. Zareen Karim is one of the successful entrepreneurs of the country and she is the daughter of Mr. Mohammad Obaidul Karim, Chairman of the company.

Mrs. Zareen has strong insights and research skills and a deep understanding of customer and consumer strategy. Apart from her active involvement in the management and executive decision making of the company, she is the leading force of the Marketing Department and has taken the responsibility to revolutionize it. OPL continues to move forward with her expertise in strategic marketing and brand development.

Mrs. Karim believes in utilizing & fostering the talent, integrity, creativity and teamwork of people in achieving sustainable business results. She is more inclined towards a holistic approach of business where it directly contributes to the transformation of communities across the country and actively plays its role to socio-economic and socio-cultural enrichment of the country.

Mrs. Karim oversees the management of Orion Pharma Ltd. as the Managing Director with her professional, creative and result-driven approach. She is actively managing the project implementation of Orion Pharma Park, one of the largest pharmaceutical plants of Bangladesh at Siddhirganj, Narayanganj.



MRS. ARZUDA KARIM

Non-Executive Director

Appointment as Director

Mrs. Arzuda Karim joined the Board of Directors of the company in 1985.

Educational qualification(s)

Mrs. Karim holds a Master's degree in Social Science from University of Dhaka.

Board Committee(s) served on

Mrs. Karim is the member of the Risk Management Committee since 2018.

Directorship(s) in other companies

Mrs. Karim is the Chairman of Jafflong Tea Company Limited and Intergral Energy Limited and also holds the directorship of Orion Infusion Limited, Kohinoor Chemical Company (BD) Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Footwear Limited, Orion Agro Products Limited, Orion Natural Care Limited, Orion Tea Company Limited, Orion Quaderia Textiles Limited and Orion Consumer Products Limited.

Responsibilities and achievements

Mrs. Arzuda Karim has been one of the successful women entrepreneurs in Bangladesh over the years. She is the wife of Mr. Mohammad Obaidul Karim, Chairman of the company. Mrs. Karim has been associated with the company as well as with Orion Group since its inception. She has vast working experience in diverse areas including production, commercial and administration. She leads several business units of Orion Group with her expertise in the areas of leadership, corporate management, organizational development, marketing and human resource management.

Mrs. Karim is one of those rare people who combine professionalism with warmth and humanity. Besides holding directorship in many companies, Mrs. Karim is actively involved in various religious and philanthropic activities in the fields of education, human resources and disaster relief.



MR. SALMAN OBAIDUL KARIM

Non-Executive Director

Appointment as Director

Mr. Salman Obaidul Karim was appointed as the Director of the Board in 2010.

Educational qualification(s)

Mr. Salman Obaidul Karim graduated in Business & Computing Management from Brunel University, UK.

Board Committee(s) served on

Mr. Salman Obaidul Karim is the member of the Audit Committee and the Nomination and Remuneration Committee since 2020.

Directorship(s) in other companies

Mr. Salman Obaidul Karim is currently the Managing Director of Orion Infusion Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Power Rupsha Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, Orion Properties Limited, Orion Gas Limited, Orion Oil & Shipping Limited, Integral Energy Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Knit Textiles Limited, Orion Footwear Limited, Jafflong Tea Company Limited, Orion Agro Products Limited, Orion Natural Care Limited, Orion Tea Company Limited, Orion Quaderia Textiles Limited, Orion Consumer Products Limited and The Business Standard. He is also the Sponsor Director of Orion Pharma Limited and the Chairman of Energon Renewables (BD) Limited.

Responsibilities and achievements

Mr. Salman Obaidul Karim is a visionary, dynamic and ingenious businessman in Bangladesh. Being guided by his father, Mr. Mohammad Obaidul Karim, he has become one of the most young and successful entrepreneurs of the country. He was the Managing Director of OPL from 2014 to 2020. In order to comply with the corporate governance code issued by Bangladesh Securities and Exchange Commission on June 03, 2018 (BSEC/CMRRCD/2006-158/207/Admin/80), the Board of Directors of the company decided to appoint Mrs. Zareen Karim as Managing Director in his place.

After completing his study in the UK, he came back to Bangladesh and started his career in Orion Group as the Director of most of the concerns of Orion Group since 2005. Besides his graduation, he experienced a couple of professional trainings in the Brunel University, UK and Harvard University, USA. Under his leadership, Orion's sustainability efforts were given outstanding shapes through his unique business concepts and visionary leadership skills.

From the beginning of his tenure in Orion, Mr. Salman Obaidul Karim proved his inherent talent for efficient management. He integrated versatile management system in the corporate culture of Orion Group bringing in a fresh perspective towards portfolio diversification. He helped the Group win some of the largest contracts in its history, to name a few-Mayor Mohammad Hanif Flyover, City Center, 5 HFO fueled power generation projects of 500 MW, 1 solar based Power Plant of 100 MW and 1 Coal Fired Power generation Project of 635 MW (Under Construction).



MRS. HASINA BEGUM

Non-Executive Director

Appointment as Director

Mrs. Hasina Begum holds the position of the Nominated Director of Panbo Bangla Mushroom Limited in the Board of Orion Pharma Limited since 1997.

Educational qualification(s)

Mrs. Hasina Begum is a graduate from a reputed university of Bangladesh.

Board Committee(s) served on

Mrs. Hasina Begum does not hold membership in any sub-committee of the Board.

Directorship(s) in other companies

Mrs. Hasina Begum has no directorship in any other company.

Responsibilities and achievements

Mrs. Hasina Begum started her business career from scratch with her late husband and achieved an outstanding level of success in the pharmaceutical industry. She is a distinguished and self-committed businessperson and has been involved with the Orion Pharma Limited for a long time and played a pivotal role in the start-up years of the company.

Beside her involvement in business areas, she is a social entrepreneur which has given her an opportunity to grow and make a difference in the society in which she lives.



MR. MD. SHAFIQR RAHMAN

Independent Director

Appointment as Director

Mr. Md. Shafiqur Rahman was re-appointed as an Independent Director of the company in 2021.

Educational qualification(s)

Mr. Rahman holds a Master's degree (M.Com) in Accounting from University of Dhaka.

Board Committee(s) served on

Mr. Rahman is the Chairman of the Audit Committee and the Nomination and Remuneration Committee since 2018.

Directorship(s) in other companies

Mr. Rahman does not hold any directorship in any other company except being the Independent Director of Orion Infusion Limited.

Responsibilities and achievements

Mr. Md. Shafiqur Rahman had an illustrious career in banking sector of Bangladesh for more than 40 (forty) years experience with expertise in investment, trade finance, Branch in-Charge. Just before being appointed as the Independent Director of Orion Pharma Limited and Orion Infusion Limited, Mr. Rahman was an Advisor in Bangladesh Finance and Investment Company Limited (BD Finance Ltd.) and before that he was the Managing Director and CEO of Social Islami Bank Limited. Mr. Rahman has undergone many national and international training sessions. He has acquired significant experience in banking sector while working at various positions and carrying out various assignments.



MR. A. N. M. ABUL KASHEM

Independent Director

Appointment as Director

Mr. A. N. M. Abul Kashem joined the company in 2020 as an Independent Director.

Educational qualification(s)

Mr. Kashem has successfully completed his graduation and post-graduation from the University of Dhaka.

Board Committee(s) served on

Mr. Kashem is the Chairman of Risk Management Committee, the member of the Audit Committee and Nomination and Remuneration Committee since 2020.

Directorship(s) in other companies

Mr. Kashem does not hold any directorship in any other company.

Responsibilities and achievements

Mr. A. N. M. Abul Kashem has a long and illustrious career of more than 30 (thirty) years in the Banking industry. He started his career in 1988 in Agrani Bank in the Loan & Advance section. Later he joined Bangladesh Bank and lastly served as an Executive Director of the Central Bank. He was responsible for Bangladesh Bank Khulna Office, Foreign Exchange Investment Dept. and Human Resource Dept. He is also vastly experienced in CBSP, Banking inspection, Expenditure Management and Accounts dept. He has acquired versatile knowledge by working in different departments at the Central Bank of Bangladesh and this extensive knowledge and long professional experience in Banking sector will be a great addition to the Board of Directors of Orion Pharma Limited. He has also been involved in many local and foreign trainings including Credit Risk Management, Core Banking Module and Training on Investment Climate of Bangladesh.

Management team

MRS. ZAREEN KARIM

Managing Director

MR. S. M. NOOR HOSSAIN

Executive Director, Sales & Marketing

MR. MD. RUHUL AMIN

Executive Director - Regulatory Compliance & Quality Assurance

MR. MD. FERDOUS JAMAN

Company Secretary

MR. MD. ASHFAQUL ALAM

Vice President - Human Resources & Corporate Affairs

MR. MD. ABU SAYED KHONDOKER

Vice President - Plant

MR. MD. ZAKIR HOSSAIN

Vice President - Production

MRS. AYESHA AKHTER

Vice President - Commercial & PPIC

MS. MONOWARA KHATOON

Chief Financial Officer

MR. MD. SHAHIDUL ISLAM

Head of Internal Audit & Compliance

MR. MD. FAKHRUL ISLAM

Manager - Distribution

MR. MD. FORHAD HOSSAIN

Manager - Administration

Message from the Chairman

Dear Shareholders,

Assalamualaikum Wa Rahmatullah

It is an honor and privilege for me to welcome all of you to the 57th Annual General Meeting (AGM) of Orion Pharma Limited (OPL) and present the integrated Annual Report for the financial year ended June 30, 2022. The Covid-19 pandemic brought many challenges for us in the last 3 (three) years and we are trying our best to cope with the difficult business environment. My dear Shareholders, you are all aware that we always provide the finest quality medicines to the society. During the reporting year, we have successfully launched 14 (fourteen) new medicines under different therapeutic classes.

My dear Shareholders, let me take you all over the financial particulars of the company now. The company attained a Consolidated Net Revenue of BDT 9,661.61 million, Consolidated Gross Profit of BDT 1,974.20 million and the Consolidated Net Profit of BDT 846.08 million. The Consolidated Earnings per Share for this year is BDT 3.62 and taking into account the financial performance of the company your Board has recommended 10% Cash Dividend.

Dear friends, every year we make a significant contribution to the National Exchequer in the form of Corporate Tax, Value Added Tax (VAT) and different other duties. This year your company has contributed an amount of BDT 851.62 million which is equivalent to 28.44% of the company's Net Revenue.

Dear Shareholders, I would now like to take the opportunity to thank you for your never-ending support and confidence. I also appreciate all our valued stakeholders including business partners, customers, bankers, suppliers, government agencies and regulatory authorities. I am grateful to the management and employees as they have done an admirable job in contributing to our success.

Thank you

Sd/-

Mohammad Obaidul Karim
Chairman

চেয়ারম্যান-এর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম ওয়া রাহ্মাতুল্লাহ

ওরিয়ন ফার্মা লিমিটেড-এর ৫৭তম বার্ষিক সাধারণ সভায় আমি আপনাদের সকলকে স্বাগত জানাচ্ছি এবং ৩০শে জুন, ২০২২ সমাপ্ত অর্থ বছরের Integrated Annual Report উপস্থাপন করছি। কোভিড-১৯ মহামারীর কারণে আমরা বিভিন্ন প্রতিকূলতার সম্মুখীন হয়েছি এবং মোকাবেলা করছি। আপনারা সকলেই অবগত আছেন যে, আমরা সবদাঁই সর্বোচ্চ মানের ঔষধ উৎপাদন ও বাজারজাত করে থাকি। বিগত অর্থ বছরে আমরা বিভিন্ন therapeutic classi-এর ১৪টি নতুন ঔষধ বাজারে এনেছি যা আগামী বছরগুলোতে বিক্রয় বৃদ্ধিতে সাহায্য করবে।

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি এখন সমাপ্ত অর্থ বছরের নিরীক্ষিত আর্থিক বিবরণী উপস্থাপন করছি। আলোচ্য অর্থ বছরে ব্যবসায়িক প্রতিকূলতা থাকা সত্ত্বেও আপনাদের কোম্পানী একীকৃত নীট বিক্রয় করেছে ৯,৬৬১.৬১ মিলিয়ন টাকা, একীকৃত মোট মুনাফা অর্জিত হয়েছে ১,৯৭৪.২০ মিলিয়ন টাকা এবং একীকৃত নীট মুনাফার পরিমাণ ৮৪৬.০৮ মিলিয়ন টাকা। আলোচ্য অর্থ বছরে শেয়ার প্রতি একীকৃত আয় হয়েছে ৩.৬২ টাকা এবং কোম্পানীর সার্বিক আর্থিক অবস্থা বিবেচনা করে পরিচালনা পর্ষদ সমাপ্ত অর্থ বছরের জন্য আপনাদের অনুমোদন সাপেক্ষে ১০% নগদ লভ্যাংশ প্রস্তাব করেছে।

প্রিয় শেয়ারহোল্ডারবৃন্দ,

সমাপ্ত অর্থ বছরে আপনাদের কোম্পানী কর্পোরেট ট্যাক্স, ভ্যাট এবং অন্যান্য শুল্ক বাবদ জাতীয় কোষাগারে ৮৫১.৬২ মিলিয়ন টাকা জমা করেছে, যা কোম্পানীর নিজস্ব নীট বিক্রয়ের প্রায় ২৮.৪৪%।

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনাদের সহযোগিতা, আন্তরিকতা, বিশ্বাস ও সক্রিয় সমর্থনের জন্য বিশেষভাবে ধন্যবাদ জানাচ্ছি। এছাড়াও আমাদের সম্মানিত গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থা, নিয়ন্ত্রনকারী কর্তৃপক্ষ সহ সকল স্টেকহোল্ডারদেরকে আন্তরিকভাবে ধন্যবাদ জ্ঞাপন করছি। কোভিড-১৯ মহামারীর কারণে যে সংকটময় সময় আমরা অতিবাহিত করছি, এ সময়ে আমাদের পাশে থাকার জন্য সকল কর্মকর্তা ও কর্মচারীদের প্রতি কৃতজ্ঞতা প্রকাশ করছি। আমি আশাবাদী যে, আপনাদের সকলের সহযোগিতায় আমরা সফলতার দিকে এগিয়ে যাব।

ধন্যবাদান্তে

স্বা/-

মোহাম্মদ ওবায়দুল করিম

চেয়ারম্যান

Governance structure

Corporate governance is an important set of principles incorporated into every part of our organization to obtain sustainable success. We are committed to ensuring the highest standards of governance designed to protect the interest of all stakeholders to generate goodwill among business partners, customers and investors which ultimately creates value for them.

Governance practices & reporting framework

The laws, policies, rules and regulations adopted by Orion Pharma Limited for maintaining sound corporate governance are outlined below:

- The Companies Act, 1994;
- Notification on corporate governance imposed by Bangladesh Securities and Exchange Commission (BSEC) ;
- Listing regulations imposed by Stock Exchanges;
- Related laws of the Land;
- Company's internal standards of code of conducts, ethics and compliances;
- Company's risk management system;
- Company's different types of committee's terms of reference and their statements with recommendations; and
- National and international best practices applicable in consistent with the company's nature of business.

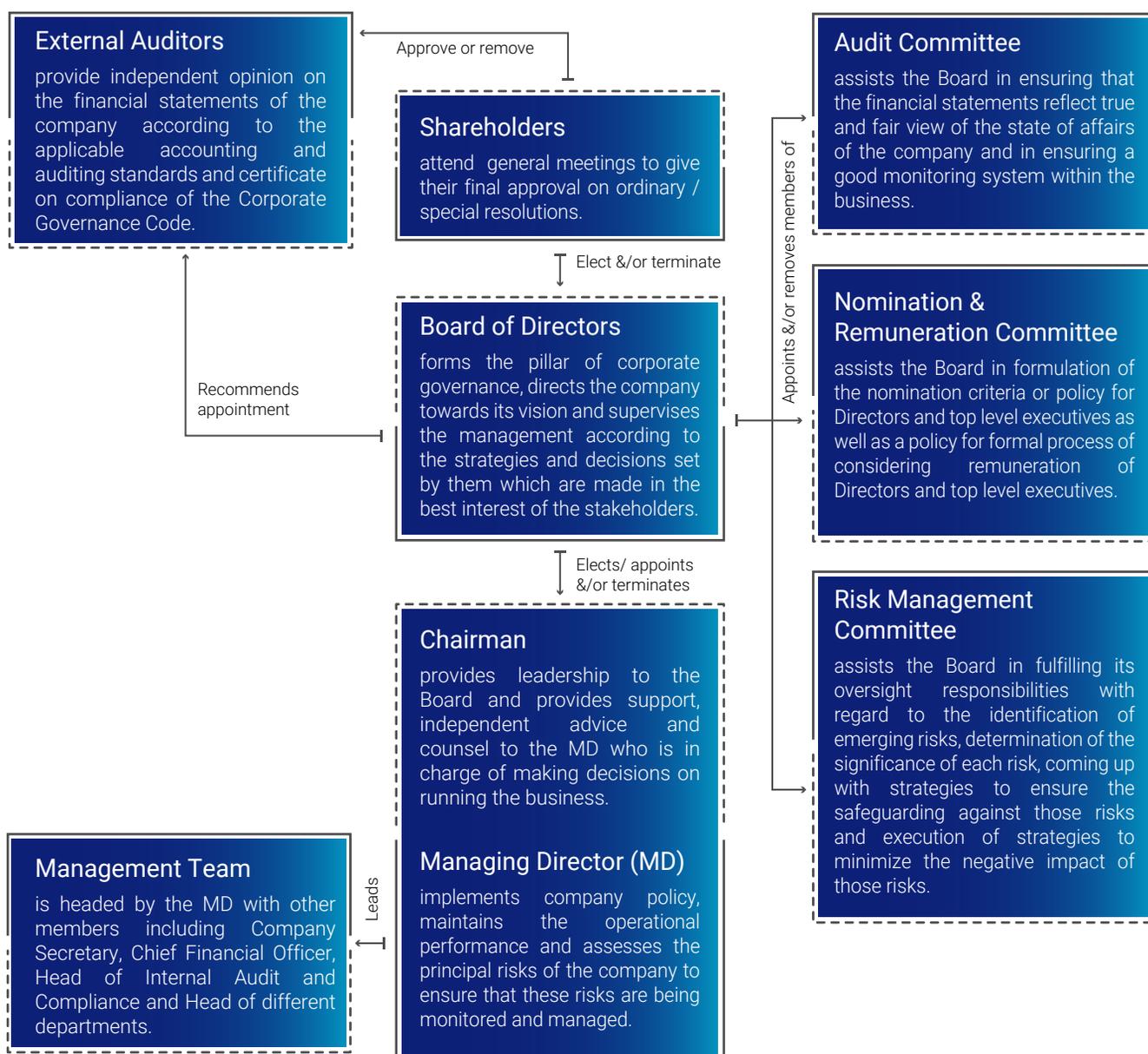
The above mentioned laws, policies, rules and regulations are the basis of standards of disclosures and throughout the year, the company has always been adherent to and applied or, if not

applied, explained, these frameworks. The review of the corporate governance framework is done from time to time to assure that our applied governance structure is always consistent, relevant with the best practices of the corporate world and effective in addressing upcoming business challenges.

In addition to this, the sub-committees of the Board with the direction of Board as well as the management team are always responsive to the regulatory requirements of different authorities like obtaining certification, periodic reporting of respective issues and transparency issues.

OPL regularly submits accurate and periodic documents including financial statements to the Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue, Registrar of Joint Stock Companies and Firms and other relevant regulatory authorities.

Governance structure as on June 30, 2022



Our governance

Governance structure

The governing Board

The Board of Directors has the highest degree of authority, control and leadership and lays out the code of conduct and corporate governance in our company. The Board acknowledges the importance of corporate governance for the accomplishment of sustainability in business. The Board further ensures that the company is going ahead in the right direction so that the value of all stakeholders is maximized and there is a positive impact of the entity's operations on the society as well as on the environment.

The Board of Directors of OPL constitutes of different multidimensional individuals whose broad and diverse range of knowledge, experiences and competencies perfectly align with the context of our company as well as with the statutory requirements. The Board members have the right combination and balance of business, entrepreneurial, financial and technical skills that OPL considers as one of its greatest assets. In order to further ensure the independence of the Board, 2 (two) qualified Independent Directors have also been included in this board.

The governing Board ensures that all business strategies are formulated and all operations are carried out according to the

conditions of corporate governance code and other notifications and directives imposed by BSEC. The Board confirms that OPL adopts and applies the aforesaid code, other regulatory requirements and also the company's own policies and principles to deliver shareholders' value and to be transparent to all potential stakeholders.

Board composition

The company has an appropriate mix of Executive, Non-Executive and Independent Directors. At present the Board consists of 7 (seven) Directors, of which 1 (one) is Executive, 4 (four) including the Chairman are Non-Executive and 2 (two) are Independent Non-Executive Directors. The combination of Executive, Non-Executive and Independent Directors in the Board of OPL adheres to the corporate governance code issued by the BSEC.

The current composition of the Board reflects an appropriate mix of skill sets, experience and qualifications that are relevant to the company's business. The Board composition is reviewed regularly to ensure the combination of diversity is maintained and that the Board retains its effectiveness by performing its functions.

The Board of OPL as on the reporting date is as follows:

Name	Status			
	BoD	AC	NRC	RMC
Mr. Mohammad Obaidul Karim	Chairman, Non-Executive Director	-	-	-
Mrs. Zareen Karim	Managing Director, Executive Director	-	-	M
Mrs. Arzuda Karim	Non-Executive Director	-	-	M
Mr. Salman Obaidul Karim	Non-Executive Director	M	M	-
Mrs. Hasina Begum	Non-Executive Director	-	-	-
Mr. Md. Shafiqur Rahman	Independent Director	C	C	-
Mr. A. N. M. Abul Kashem	Independent Director	M	M	C

Note: BoD denotes Board of Directors
AC denotes Audit Committee
NRC denotes Nomination and Remuneration Committee
RMC denotes Risk Management Committee
C denotes Chairman of the Committee and
M denotes Member of the Committee

Board diversity

Diversifying the Board in terms of the inclusion of a wide variety of knowledge, skills and experiences in the Board brings new thinking, insights and perspectives and assists us to move towards the achievement of our long term goals. It is the responsibility of our Nomination and Remuneration Committee to identify Board member candidates, if required, to be proposed to and to get approved by the shareholders. Our existing Board is the combination of different personal characteristics including gender, age, background, experience, expertise and other technical and interpersonal skills.

Board charter

The Board of Orion Pharma Limited assumes supreme leadership, responsibility and control for the overall strategic direction of the company along with its operations and activities through appropriate delegation of authority to the management and decisions in subsidiaries. The main role of the Board is to direct the company towards its vision and supervise the management according to the strategies and decisions set by them which are made in the best interest of the stakeholders. At OPL, the Board delegates certain duties to the sub-committees, enabling them to work in an efficient manner and focus on decision-making.

The Board at OPL is governed by a formal Board charter setting out its composition, processes and responsibilities. The main duties and responsibilities of the Board are to:

- Formulate corporate strategies, business policies along with major plans of action and monitor management in implementing these plans and strategies;
- Retain full and effective control of the company and take decisions concerning budgets, capital budgeting, business plan and major capital expenditures;
- Identify and regularly monitor key risk areas, major performance indicators and performance objectives of the business;
- Endeavour that the company complies with relevant laws, regulations and code of business practices and evaluate the effectiveness of the company's governance practices;
- Appoint/remove the Executive and Non-Executive Directors, CEO, CS, CFO, HIAC and top executives of the company and ensure their compensation, performance evaluation and proper succession when required keeping in consideration the best interest of the company;
- Establish a formal and transparent procedure for appointment of the Board members along with their orientation and assess the performance of the Board along with the effectiveness of its sub-committees;

- Ensure that the company regularly communicates with shareholders and relevant stakeholders openly and promptly, protecting the interest of minority shareholders;
- Review the company's integrated performance and ensure the integrity of the company's accounting and financial reporting system, including independent audit; along with corresponding the financial results to the interested users;
- Monitor and manage potential conflicts of interest of management, Board members and shareholders; and
- Review the reports provided by the sub-committees.

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

Appointment, retirement & rotation of Directors

Orion Pharma Limited abides by all rules and regulations of different relevant regulatory authorities including Companies Act, 1994 along with its own Articles of Associations, regarding the appointment, retirement and re-appointment of Directors.

In terms of the Companies Act, 1994, one third of the Directors are required to retire by rotation at each year's Annual General Meeting (AGM). Upon retirement the Directors may offer themselves for re-election by shareholders at AGM, if they are deemed to be eligible.

For the reporting financial year, Mrs. Arzuda Karim and Mrs. Hasina Begum, Directors of the company will retire by rotation from the Board and also offered themselves for re-appointment at the ensuing AGM.

Induction of Directors

The new Director(s) including the Independent Director(s) are provided with a formal orientation program, so that they can perform their roles in an efficient manner within the shortest practicable time. To understand about the company they are provided specific information about the company's mission, strategies, activities etc. New Board members are also introduced to their basic roles and responsibilities.

Independent Directors

The Board of Directors of OPL consists of 2 (two) qualified Independent Directors who ensure independence of the Board and also bring more competencies on the table. The Independent Directors are Non-Executive Directors who have been appointed in compliance with the corporate governance code of BSEC. At our company, both the Independent Directors have successfully established trusting relationships with the other Board members and provide adequate time to their responsibilities.

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As per the corporate governance code, the term of an Independent Director is 3 (three) years which may be prolonged for another 3 (three) years. Also the post of Independent director cannot remain vacant for more than 90 (ninety) days. However, the appointment / re-appointment of the Independent Director is subject to the approval by shareholders at the first AGM after their appointment following the recommendation from Board.

Qualification of Independent Directors

Both the Independent Directors fulfill the conditions specified in the corporate governance code of BSEC and can make meaningful contribution to the business of the company.

Mr. Md. Shafiqur Rahman

Mr. Md. Shafiqur Rahman obtained his B.Com (Hon's) and M.Com degree from the University of Dhaka. He was the Managing Director and CEO of Social Islami Bank Limited. His experience spans over more than 4 (four) decade of illustrious career in the banking sector.

Mr. A. N. M. Abul Kashem

Mr. A. N. M. Abul Kashem has a long and illustrious career of more than thirty (30) years in the Banking industry. He last served as an Executive Director of the Central Bank, where he oversaw the Khulna Office, Foreign Exchange Investment Department and Human Resource Department. He is also vastly experienced in CBSP, Banking inspection, Expenditure Management and Accounts Departments. He has acquired versatile knowledge by working in different departments at the Central Bank of Bangladesh and this extensive knowledge and long professional experience is a great asset for the Board of the company.

Separation of work for the Chairman & the Managing Director

The main purposes of splitting the position and roles of the Chairman from that of the Managing Director are to strengthen the overall integrity of the company by means of avoiding the conflict of interest and to improve the ability of the Board of Directors to oversee management.

Mr. Mohammad Obaidul Karim has been acting as the Chairman of the Board and elected by the Board since September 10, 2014. He does not participate in the operational and regular affairs of the company.

Mrs. Zareen Karim has been appointed as the Managing Director on January 08, 2020. She is responsible for all day to day management decisions and for the routine business operation of the company.

Both the Chairman and the Managing Director are collectively accountable for the leadership of the company and for exercising the highest standards of ethics, integrity and governance.

The respective and distinctive roles and responsibilities of the Chairman and the Managing Director are clearly defined by the Board. The separation of both of these positions and roles & responsibilities meets the criteria of corporate governance code of BSEC and also a balance of authority with regard to the Board's decision-making processes.

Major roles & responsibilities of the Chairman are as follows:

- Provides leadership to the Board and 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;
- Fixes Board, committee and general meeting schedule including date, time and location of meetings and develops agendas in consultation with the MD and the Company Secretary;
- Acts as Chair at meeting of members, meeting of Board of Directors and reviews and signs minutes of Board meeting and general meeting;
- Promotes open discussion and constructive dialogue among the Directors inside or outside the Board meeting and between the Directors and the management team;
- Works with the MD to ensure that Directors are properly informed and key issues are discussed by the Board in a timely manner, so that the Board has adequate support and all required information to make necessary decisions;
- Provides supports, independent advice and counsel to the MD;
- Represents the company as its figurehead to the relevant stakeholders;
- Acts as a direct liaison between the Board and the management of the company, through the MD; and
- Reviews the Board's sub-committees performance to make sure that they work effectively.

Major roles & responsibilities of the Managing Director are as follows:

- 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;

- Represents the company to major stakeholders;
- Maintains the operational performance of the company and closely monitors the operating and financial results against plans and budgets;
- Builds and maintains an effective management team;
- Assess the principal risks of the company to ensure that these risks are being monitored and managed;
- Ensures effective internal controls and management information systems are in place;
- Ensures that the company maintains high standards of corporate citizenship and social responsibility wherever it does business; and
- Keeps the management and the Board informed about all material activities of the company and all material external factors affecting the company.

Company Secretary (CS)

The Company Secretary, Mr. Md. Ferdous Jaman, plays a proactive and crucial role in the governance of the company. He works at the centre point of the decision making process and is a management personnel of the company responsible for providing guidance to the Chairman and Board of Directors in respect to their responsibilities, authorities and power. He is directly accountable to the Board, through the Chairman and has been serving as a dedicated and resourceful personnel for a long time. Mr. Jaman does not hold any executive position in any other company.

Major duties & responsibilities of the Company Secretary are as follows:

- Responsible to advice on the corporate governance and other rules and regulations imposed by different regulatory authorities including RJSC, BSEC, DSE, CSE;
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 and committee meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the company;
- Attends all the meetings of the Board, its sub-committees, meeting of the members and records the minutes of such meetings;
- Maintains the necessary link and liaison with the internal organs like Board, Management, different divisions and department and also with the external agencies; and

- Performs company secretarial and legal matters- compliance with Companies Act, 1994, listing regulations, securities law and Memorandum & Articles of Association; arranging and holding the Board meeting, annual general meeting, extra ordinary general meeting as well as taking correct record of proceedings; maintaining statutory books.

Chief Financial Officer (CFO)

Ms. Monowara Khatoun is the company's Chief Financial Officer and she does not hold any executive position in any other company.

Major duties & responsibilities of the Chief Financial Officer are as follows:

- Responsible for directing finance and accounts team to carry on 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 MD and other senior leaders on operational and strategic issues as they arise; provides 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 and supervises 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; and
- Reviews and certifies the financial statements together with the MD and submit the same to the Board of Directors of the company.

Head of Internal Audit & Compliance (HIAC)

Mr. Md. Shahidul Islam is the company's Head of Internal Audit and Compliance and he does not hold any executive position in any other company.

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Major duties & responsibilities of the Head of Internal Audit & Compliance are as follows:

- Responsible for evaluating the adequacy of the system of internal controls and recommending improvements in controls;
- Assesses compliance with policies and procedures and sound business practices;
- Assesses compliance with the laws, rules, regulations, guidelines etc.;
- Reviews operations/programs to ascertain whether results are consistent with established objectives and whether the operations/programs are being carried out as planned;
- Reviews and appraises the soundness, effectiveness, and proper application of accounting process and assesses the adequacy and extent of programs designed to safeguard organization assets; and
- Issues reports to the Audit Committee regarding planning of adequate internal control and financial reporting.

The Directors' Report to shareholders

The Directors' Report to shareholders is prepared in compliance with the corporate governance code of BSEC. This report has

been duly approved by the Board of Directors in its Board meeting held on November 13, 2022.

Board meetings & procedures

The meetings of the Board of Directors of OPL occur regularly as per schedules but often the Board members also meet to discuss and deal with urgent matters that require attention. Therefore, additional meetings are convened on an ad hoc basis. In this case reasonable notice period for such emergency meeting is given before holding the meeting to facilitate planning of Directors' schedule. The Company Secretary finalizes the agenda for meetings in consultation with the Chairman and the same is circulated to the Board members well in advance to ensure meaningful participation in the meetings. In the meetings, the Board of Directors discusses about critical issues as per the set agendas; reviews sub-committees' reports and takes appropriate decisions. These meetings provide an opportunity for both Executive and Non-Executive Directors to articulate ideas.

Orion Pharma Limited complies with the provision mentioned under Section 96 of the Companies Act, 1994 which states that a meeting of the Board of Directors shall be held at least once in every 3 (three) months and at least 4 (four) such meetings shall be held in every year. The CS, CFO and HIAC attend the meetings regularly.

Number of Board meetings held & attendance of Directors

During the financial year ended June 30, 2022, 6 (six) Board meetings were held. Other than Directors, the CS, CFO and HIAC of the company also attended all the Board meetings. Information about the attendance of Directors at the Board meetings during the reporting year and at the last AGM is stated in the table below:

Name	Board meetings held	Board meetings attended
Mr. Mohammad Obaidul Karim	6	6
Mrs. Zareen Karim	6	6
Mrs. Arzuda Karim	6	6
Mr. Salman Obaidul Karim	6	6
Mrs. Hasina Begum	6	6
Mr. Md. Shafiqur Rahman	6	6
Mr. A. N. M. Abul Kashem	6	6

Boards of subsidiary companies

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

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

Both the subsidiaries have their own Board of Directors with the authority to manage the companies for the best interest of the companies as well as the shareholders. The Board is aware of the fact that any material issue of the subsidiary companies might have an effect on both the parent company as a whole and on its subsidiaries. Therefore, OPL oversees the operation and performance of the subsidiaries to ensure effective control over the decision making process of the subsidiaries. One of the Independent Directors of the parent company, Mr. Md. Shafiqur Rahman, was appointed as the Nominated Director of both the subsidiary companies through a Board meeting held on June 14, 2018 in order to ensure governance of Board of Directors of subsidiary companies. The minutes of all the Board meetings of the subsidiary companies are placed and reviewed at the following Board meetings of OPL.

Board's sub-committees

For ensuring good governance in the company, the Board established the following sub-committees:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Risk Management Committee.

The responsibility of such sub-committees is to divide up the work amongst Board members, allowing Board members with specific expertise to focus on key areas and which allows committee members to better serve the Board's needs.

Audit Committee

The Board has an Audit Committee as a sub-committee to enable the Board to carry out its responsibilities and duties effectively. The Audit Committee is comprised of 1 (one) Non-Executive Director and 2 (two) Independent Directors. The Chair of the committee is an Independent Director, Mr. Md. Shafiqur Rahman, as required under the corporate governance code of BSEC. He was duly appointed by the Board as the Chairman of the committee. Other members are Mr. Salman Obaidul Karim, Non-Executive Director and Mr. A. N. M. Abul Kashem, Independent Director. The Company Secretary of the company acts as the Secretary to the Audit Committee.

The committee assists the Board with respect to internal control, financial reporting, auditing matters, monitoring process, related party transactions etc. The committee also has the responsibility to make sure that all the rules and regulations

issued by the regulatory authorities have been complied with and they are directly responsible and report to the Board.

Nomination & Remuneration Committee

The Board of Directors has a Nomination and Remuneration Committee for the company in compliance with the corporate governance code of BSEC. The committee is composed of 3 (three) members of the Board of Directors. Mr. Md. Shafiqur Rahman, Independent Director is the chair of the committee. Other members are Mr. Salman Obaidul Karim, Non-Executive Director and Mr. A. N. M. Abul Kashem, Independent Director. The Company Secretary serves as the Secretary to the Nomination and Remuneration Committee.

The committee supports the Board in formulating the nomination criteria or policy for identifying and recommending the qualified candidates to become members of Board of Directors and top Executives as well as sets policy for formal process of considering remuneration of the Directors and top Executives of the company.

Risk Management Committee

In order to ensure effective risk management within the company, the Risk Management Committee is formed as another sub-committee of the Board. The Risk Management Committee focuses on the overall process of risk management of the company. The committee comprises of 3 (three) members from the Board. Mr. A. N. M. Abul Kashem, Independent Director is the Chairman of the Committee. Other members are Mrs. Zareen Karim, Managing Director and Mrs. Arzuda Karim, Non-Executive Director.

Evaluation of the Board's performance

The Board members always take decisions for the benefit of the company as well as for the stakeholders including the shareholders and always perform their duties accordingly. However, at Orion Pharma Limited, an annual evaluation of the performance of the Board, Board members as well as the committees is carried out as the Directors believe that this assessment measures how the Board, Board members and its committees have performed on the parameters of strategic direction, management control and support. The responsibility of evaluation of the Board, Board members and its Committees is conducted under the stewardship of Nomination and Remuneration Committee.

Code of conduct for Directors & Chief Executive Officer

All the Directors are required to abide by and conduct their fiduciary responsibilities towards the company as well as towards the shareholders in accordance with the code of conduct set for them as per the guidelines of corporate

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governance code of BSEC. The Chief Executive Officer also adheres to the code of conduct for the CEO while performing her duties with care, skill and diligence.



Independence of Board of Directors

At Orion Pharma Limited, the Board of Directors is independent of management and has no association that can interfere with their judgment or scope of work. The Nomination and Remuneration Committee has been assigned to assist the Board to review the independence of the Directors as well as the sub-committee members. Both the Independent Directors have submitted a signed and dated declaration to demonstrate their independence to the Board of Directors. The Board determines and declared at the end of the year that all of its members along with those of its sub-committees are independent.

External or statutory auditors

OPL follows the Companies Act, 1994, Securities and Exchange Rules 1987 and BSEC's notification with regard to the appointment and re-appointment of statutory auditors. Complying with the rules, the Audit Committee recommends to the Board to appoint or re-appoint statutory auditors and the Board recommends the same for the approval of shareholders at the next AGM. Also the remuneration of the statutory auditors is fixed by the shareholders in the AGM. In addition to this, Orion Pharma Limited conforms to the laws that the statutory auditors can hold the office for a maximum period of 3 (three) consecutive years and they act independently to provide audited financial statements. Malek Siddiqui Wali, Chartered Accountants, was appointed as the statutory auditors of the company in the last Annual General Meeting and will retire in the forthcoming Annual General Meeting.

Meanwhile, Malek Siddiqui Wali has confirmed their eligibility and willingness to accept their office as the statutory /external auditors of the company for the next financial year, if re-appointed. In this regard, subject to the approval of shareholders in this forthcoming Annual General Meeting, the Board, as per the recommendation of the Audit Committee, has recommended to appoint Malek Siddiqui Wali, Chartered Accountants, as the statutory auditors of the company.

Maintaining a website

OPL maintains an official website and the website address is www.orionpharmabd.com. The company's website has a wealth of information and there is a section in the website named "Investor Relations" designed specifically for investors. It

includes detailed coverage of the Board of Directors, share information, PSI, financial news and investor contact. Quarterly, half-yearly and the annual financial statements are posted at company's website to keep all the stakeholders informed about the company's financial results.



Appointment of compliance auditors

OPL assures compliance on corporate governance by obtaining a Certificate on compliance on the conditions of the corporate governance code from ARTISAN, Chartered Accountants, who provides certification based on audit that we have duly complied with all regulatory requirements of BSEC. Also the Board has recommended to appoint ARTISAN Chartered Accountants, as the corporate governance compliance auditors for the next financial year subject to the approval of shareholders at the ensuing AGM.

Dealing of securities

The Board of Directors of Orion Pharma Limited, in their declared code of conduct, has forbidden any kind of insider trading. All Directors and management personnel are prohibited from dealing with own securities during closed periods. The Board ensures that members of the Board of Directors, the Board's sub-committees or the management and their family members were not involved in any insider trading.



Succession planning

At Orion Pharma Limited, the Board of Directors through its Nomination and Remuneration Committee is responsible for overseeing the succession planning. The management team is particularly assigned to assist the Board and the committee with senior leadership succession planning when necessary. The company always plans ahead the succession keeping factors such as skills and knowledge, diversity, professional background, expertise etc. into consideration.

Corporate culture

Orion Pharma Limited has a flexible corporate culture which is always open to improvement. We are a team-oriented company and our human resource practices are one of the best in the country. We are committed for establishing equal employee

opportunity for our valued employees. Integrity is one of our core values and we believe in being transparent and fair in all our dealings by providing the best quality to the customers along with fulfilling our responsibility towards the society.

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 AGM of OPL is held each year as per law. Extraordinary general meetings are called as often as necessary by a decision of Board of Directors, or by the written notice of shareholders of the company. The purpose of the AGM is to enable the company to report on its activities during the previous financial years 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 company's performance.

We give a lot of importance to the participation of shareholders in the AGM and also try to ensure their presence in this meeting 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 notice of AGM is sent to the exchanges and simultaneously to the shareholders as per rules prior to AGM and any resolutions containing price sensitive information sent to the exchanges within half an hour in compliance with the Listing Regulations, 2015. The annual reports are circulated and published in the company's website as per the provisions of Listing Regulations, 2015, so that shareholders can get sufficient time to go through the report and freely provide their valuable comments and suggestions during the AGM. When selecting the time and venue for the AGM, the convenience of maximum shareholders is considered by the company. 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. A shareholder of the company is entitled to attend and vote at the general meeting or may appoint a proxy to attend and vote in his/her stead. OPL also provides updated information on its website regularly for the shareholders of the company.

Human Capital

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 which is the ultimate objective of the company.

Denouement

Responsible and fair corporate governance is fundamental to the success of OPL. It is an integral part of our corporate culture and the reason why employees, customers, shareholders, business partners and the general public place their trust in us.

The Board, management and employees of OPL are obliged to act responsibly and in compliance with applicable laws and regulations of the corporate governance. Our company strives to set benchmark in the corporate world by obtaining the most efficient form of management with the aid of our Board Members, stakeholders and the employees. Therefore, it is the sole responsibility of our members and employees to adhere with good corporate governance for the sake of company's success in all aspects. OPL envisions to achieve excellence in the field of pharmaceutical industry through effective execution of corporate governance policies. With the aim to adopt transparency and accountability in corporate governance, our company conducts surveillance on a regular basis ensuring a law abiding and appropriate implementation of corporate governance. As a result, OPL is undoubtedly recognized as an ideal organization in maintaining fair governance along with its potential and reliable Board members and employees.

Audit Committee report

Part One: Statement by the Chairman of the Audit Committee

I, the undersigned Independent Director and Chairman of Audit 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.5.6 of the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

The committee is satisfied that it has met its responsibilities for the reporting year and to the date of this report in accordance with its terms of reference as set down in its charter. The table below depicts the activities carried out by the committee and the outcomes of these activities as on the reporting date:

Activities	Outcomes
<p>Oversight of financial statements and its reporting process</p>	<ul style="list-style-type: none"> • Reviewed the quarterly, half yearly and annual financial statements of the company and its subsidiaries together with the Chief Financial Officer and the Managing Director; • Considered the quarterly, half yearly and annual financial statements of the company and recommend the same to the Board of Directors for their approval; • Confirmed that the financial statements reflect true and fair view of the state of affairs of the company and its subsidiaries; • Oversaw the financial reporting process, the application of accounting policies and principles; • Concluded that no material deviation, discrepancies or adverse findings in the areas of reporting and disclosures were found during the reporting financial year; and • Verified compliance with all applicable laws and matters related to the preparation and presentation of financial statements.
<p>Assurance of internal control and internal audit</p>	<ul style="list-style-type: none"> • Reviewed the statement of significant re-current related party transactions entered into by the company throughout the year; • Monitored the overall internal audit and compliance process, audit plans and audit reports at each of its quarterly meetings and approves the annual internal audit plans; • Worked with the internal auditors on the reports issued by the internal audit to ensure that proper actions have been taken to address the internal audit recommendations; • Assessed the adequacy of internal audit and internal control function; and • Played a role along with the Risk Management Committee in the company's overall risk management process in the context of its responsibilities for internal control.

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Activities	Outcomes
<p>Engagement with the statutory auditors</p>	<ul style="list-style-type: none"> Ensured that the appointment of the statutory auditors complies with the Companies Act 1994, guidelines imposed by the BSEC relating to the appointment of the statutory auditors; Concluded that the statutory auditors did not provide any non-audit services to the company; Oversaw the determination of audit fees to be paid to the statutory auditors; Monitored the overall performance of the statutory auditors; Recommended to the shareholders to appoint Malek Siddiqui Wali, Chartered Accountants, as the statutory auditors of the company; Held meeting with the statutory auditors, with and/or without the presence of any members of management team, to review the company's annual financial statements; and Reviewed the statutory auditors' findings, their letters or response to ensure that all these issues or findings have been addressed and concluded that no management letter or letter of internal control weakness was issued by the statutory auditors.
<p>Preparation of report</p>	<p>Prepared a report of Audit Committee for publishing in the Annual Report 2021-22 of the company.</p>

Part Two: The report of Audit Committee

Introduction

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 Committee, a sub-committee of the Board, appointed by and responsible to the Board of Directors.

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.

Composition of the committee

The Audit Committee consists of 2 (two) Independent Directors and 1 (one) Non-Executive Director. The members of the committee are financially literate and competent in financial

matters and the committee as a whole has adequate relevant knowledge and experience to equip the committee to carry out its responsibilities.

The committee is chaired by Mr. Md. Shafiqur Rahman, Independent Director of the company. The Board is confident that the leadership of Mr. Md. Shafiqur Rahman as Chairman of the Audit Committee is in the best interests of the company, based on his extensive knowledge on specific areas of responsibilities of the committee. Mr. Md. Shafiqur Rahman will attend the ensuing AGM to answer shareholder questions on the committee's activities. During the reporting year, no such situation arose making the number of committee members lower than 3 (three) persons. Other than the committee members, the Company Secretary, Mr. Md. Ferdous Jaman, functioned as the Secretary of the committee and attended all the meetings of the committee.

The members of the Audit Committee of OPL as on the reporting date are as follows:

Name	Joined the committee	Status with the committee	Status with the Board
Mr. Md. Shafiqur Rahman	2018	Chairman	Independent Director
Mr. A. N. M. Abul Kashem	2020	Member	Independent Director
Mr. Salman Obaidul Karim	2020	Member	Non-Executive Director
Secretary: Mr. Md. Ferdous Jaman, Company Secretary			

Meetings & attendance

Name	Audit Committee meetings held	Audit Committee meetings attended
Mr. Md. Shafiqur Rahman	5	5
Mr. A. N. M. Abul Kashem	5	5
Mr. Salman Obaidul Karim	5	5

The company held Audit Committee meetings at regular intervals. During the financial year ended June 30, 2022 the committee held 5 (five) meetings 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.

Terms of reference

The Audit Committee discusses and reviews company's financial disclosures with the Board and statutory auditors and oversees the organization's internal controls. The committee reports that it operates within the terms of reference defining the role and responsibilities of Audit Committee as set out in its charter which is governed by the BSEC's corporate governance code. The committee's principal responsibilities include, but not limited to, the following matters:

Financial statements & its reporting process

- Supporting the Board particularly in monitoring the financial reporting process, and submitting recommendations or suggestions to the Board on ensuring the integrity of the financial reporting process;
- Review of the quarterly, half yearly and annual financial statements and accounting policies and principles for the company and all of its subsidiaries; and
- Meeting with the management on quarterly financial statements or with the statutory auditors on the annual financial statements and upon satisfaction of the review, recommendation of the same statements to the Board for approval.

Internal control arrangement

- 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 management response thereon; and
- Review of statement of significant related party transactions submitted by management;
- Review of and recommendation to the Board regarding disclosures to be published in the annual report concerning internal control, risk management and the Management's Discussion and Analysis; and
- Discharge of the committee's fiduciary responsibilities to consider the major findings on internal investigations and management's response.

Statutory auditors

- Review of the audit plan and methodology proposed by the statutory auditors to carry out the audit as well as holding meeting with them for review of the annual financial statements before submission for Board's approval;
- Oversight of the nomination, determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit, assessment of the statutory auditors' performance, qualifications, findings and recommendation;
- Recommendation of the appointment, re-appointment or replacement of the statutory auditors and preparation the proposal of the Board to the annual general meeting for the election of the statutory auditors;
- Discussion of the problems, irregularities and reservation arising from the statutory audit and any matters the statutory auditors may wish to discuss; and
- Assurance of the independence of statutory 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, adequacy and effectiveness of internal audit function and compliance process to make sure that the internal audit and compliance process is adequately resourced and review of their report stating major findings of the internal investigations and management response and where necessary, making sure that the appropriate actions are taken.

In addition, the committee:

- Submits the minutes of all committee meetings and reports on the matters discussed at each committee meeting to the Board on quarter basis, as appropriate;
- Reports annually to the shareholders on the activities carried out by the committee;
- Reviews and assesses the performance and effectiveness of the Audit Committee; and
- Performs any other activities consistent with the regulatory law as the committee or the Board deems necessary or appropriate.

Reporting of the Audit Committee

Board of Directors

The committee Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities including any material defects in internal control or in internal audit and compliance process or in the financial statements, any conflict of interest, any infringement of laws or regulatory compliances and any other matters necessary to ensure the true and fair view of the financial statements.

During the year under review, the committee met 5 (five) times and accordingly forwarded their reports to the Board. The Board is of the view that there was no issue having significant material impact on the company's financial statements which needed to be disclosed to the Board or the regulatory authorities.

Regulatory authorities

Apart from reporting to the Board, it also have the authority to report to the regulatory authorities regarding any issue having material financial impact on the financial condition and results of operation if the Board and the management have unreasonably ignored such issues without making any rectification.

Shareholders & general investors

The committee prepares report on its activities to shareholders and other interested parties of the company on annual basis by means of presenting a summary of its activities in the form of a "Statement by the Chairman of the Audit Committee" in first part and the Report of Audit Committee in second part.

Recommendation of Audit Committee report for approval by the Board

This Audit Committee report was recommended by the committee for approval by the Board of Directors of Orion Pharma Limited which was granted on November 13, 2022.

On behalf of the committee

Sd/-

Md. Shafiqur Rahman
Chairman

Nomination & Remuneration Committee report

Part One: Statement by the Chairman of the Nomination & Remuneration Committee

I, the undersigned Independent Director and Chairman of Nomination and Remuneration Committee on behalf of the members of Committee, do hereby declare that the committee has pleasure in submitting its report to the shareholders for the financial year ended June 30, 2022. When performing its duties, the committee has taken into account the requirements set by the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

The committee is of the opinion that the disclosure provided in this integrated annual report on the nomination and remuneration policies and the evaluation criteria and activities of the committee are adequate to present a transparent and independent view of the company's approach to its human resources and are in line with business strategy and well-aligned to shareholder interest. The table below depicts the activities carried out by the committee and the outcomes of these activities as on the reporting date:

Activities	Outcomes
Proposal for re-election of Directors	Proposed Mrs. Arzuda Karim and Mrs. Hasina Begum for retirement by rotation and for re-election (being eligible) by the shareholders in this upcoming Annual General Meeting.
Evaluation of performance	Evaluated the performance of the Board, its committees, individual members of the Board, Key Managerial Personnel and other senior executives of the company, with the assistance of HR department as and when required, and satisfied with their performance.
Review of remuneration and other fees	Reviewed the annual remuneration package of the Executive Director, Key Managerial Personnel and other senior executives of the company, with the assistance of HR department as and when required, and ensured that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them to run the company as per company goals.
Succession planning	Reviewed the succession plan to ensure that the potential individuals are ready with proper skills, experience, ownership and engagement to fill gaps when necessary.
Review of HR and training policy	Reviewed human resources and training policies for the future leaders of the company.
Disclosure of remuneration	Considered and confirmed that the remuneration disclosed in this integrated annual report is accurate, complete and transparent.
Preparation of report	Prepared a Nomination and Remuneration Committee Report for publishing in the Annual Report 2021-22 of the company.

Our governance

Part Two: The report of Nomination & Remuneration Committee

Introduction

The Nomination and Remuneration Committee, a sub-committee of the Board has been duly constituted with one primary objective-supporting the Board by setting policies for nomination and remuneration functions. The charter clearly sets out the terms of reference or scopes of the committee's responsibilities. The committee may be supported by an independent expert as advisor who does not have voting power like the member of the committee. The committee has been constituted by the Board of Directors and it reports regularly to the Board on the performance of the activities it has been assigned.

with a minimum requirement of 1 (one) such member. All the members are Non-Executive Directors, nominated and appointed by the Board. The committee is headed by Mr. Md. Shafiqur Rahman, Independent Director of the company. The Board is confident that the leadership of Mr. Md. Shafiqur Rahman as Chairman of the committee is in the best interests of the company, based on his extensive knowledge of the specific areas of responsibilities of Nomination and Remuneration Committee. Mr. Md. Shafiqur Rahman will attend the ensuing AGM to answer shareholder questions on the committee's activities. Other than the committee members, the Company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the committee.

Composition of the committee

The Nomination and Remuneration Committee is comprised of 3 (three) members of whom 2 (two) are Independent Directors

The members of Nomination and Remuneration Committee of OPL as on the reporting date are as follows:

Name	Joined the committee	Status with the committee	Status with the Board
Mr. Md. Shafiqur Rahman	2018	Chairman	Independent Director
Mr. A. N. M. Abul Kashem	2020	Member	Independent Director
Mr. Salman Obaidul Karim	2020	Member	Non-Executive Director

Secretary: Mr. Md. Ferdous Jaman, Company Secretary

Meetings & attendance

Name	Nomination and Remuneration Committee meetings held	Nomination and Remuneration Committee meetings attended
Mr. Md. Shafiqur Rahman	1	1
Mr. Salman Obaidul Karim	1	1
Lt. Col. Kamal Ahmed, PSC (Retd.)*	1	1

This table demonstrates the attendance records of members at committee meetings during the financial year ended June 30, 2022. The committee held 1 (one) meeting 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.

Terms of reference

The committee has formal terms of reference which is governed by the BSEC corporate governance code. The charter governs the procedures and guidelines of nominating a candidate to the position of Director as well as nominating persons to become members of the company Key Managerial Personnel. This charter also outlines the procedures and guidelines in relation to the remuneration of Directors, Key Managerial Personnel and other senior executives of the company. The committee's principal responsibilities include, but not limited to, the following matters:

Functions related to nomination

- Establishing a policy formalizing the company's approach to Board diversity (including diversity in gender, age, socio-economic background, skills, experience and independence);
- Formulating criteria for determining qualifications, positive attributes and independence of Directors as well as the criteria for evaluation of performance of the Board of Directors including the Independent Directors;
- Evaluating and reviewing the appropriate size of the Board, required mix of skills, experience and other qualities on annual basis;
- Identifying the company's need for employees at different levels and determining their selection, transfer or replacement and promotion criteria;
- Recommending qualified candidates to the Board to appoint/re-appoint as members of the Board, subject to the approval of shareholders in the Annual General Meeting;
- Considering the need to identify persons who may be appointed in senior management in line with the criteria laid down and recommending to the Board regarding their appointment or removal; and
- Developing, recommending and reviewing annually the company's human resource and training policies.

Functions related to remuneration

- Reviewing and recommending to the Board a formal and transparent remuneration policy and framework for the Board members and senior management and other employees of the company. In doing so, the committee considers the following:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors as well as top level executives to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to corporate governance code imposed by BSEC and the goals of the company;
- Assessing and proposing to the Board for approval of annual bonus and salary increment framework of the company; and
- Preparing and presenting a report for disclosing in the Annual Report describing the nomination and remuneration policy.
- The remunerations and other benefits awarded to Directors and Key Managerial Personnel.
- Evaluating annually the structure, policies and amount of remuneration for the Directors and top level executives.

Reporting of the Nomination & Remuneration Committee

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 to ensure that the Board is aware of the activities carried out by the committee. The committee's Chair on behalf of the committee, reports to the Board following each meeting and prepares any report on the matters as outlined in its charter for the approval of the Board.

Shareholders and other interested parties

It reports to Board and the Board discloses the nomination and remuneration policy and the evaluation criteria and activities of NRC to the shareholders and other interested parties by means of presenting a summary of its activities in the form of a "Statement by the Chairman of the Nomination and Remuneration Committee" in first part, the report of Nomination and Remuneration Committee in second part and the nomination and remuneration policy and the remuneration report in the third part.

Part Three: The nomination & remuneration report

Nomination & remuneration policy

The committee formulated and recommended and the Board approved a nomination and remuneration policy as per the guidelines to determine attributes and qualifications for appointment as well as appropriate pay package for the Board Members and top executives including the Key Managerial Personnel (KMP) and other senior executives of the company. The nomination and remuneration policy consists of 3 (three) sections.

- The first section describes the matters to be dealt with, pursued and recommended to the Board by the committee;
- The second section is related to the determination of the criteria of nomination, appointment, performance evaluation and removal of Directors, KMP and Other senior executives; and
- The third section deals with the remuneration structure for Directors, KMP and other senior executives.

Please refer to the following URL for detailed Nomination and Remuneration Policy:

http://www.orionpharmabd.com/public/corporate_governance/replace/Nomination_and_Remuneration_policy_OPL.pdf

Re-appointment of Directors

With regard to the appointment, retirement and re-appointment of Directors, the company is governed by the Companies Act, 1994, its Articles of Association, and other related legislations. In order to comply with the provision mentioned under Section 91(2) of the Companies 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, Mrs. Arzuda Karim and Mrs. Hasina Begum, Directors of the company, will retire by rotation from the Board, but being eligible, have offered themselves for re-appointment. Therefore, the committee has recommended to the Board of Directors to re-appoint Mrs. Arzuda Karim and Mrs. Hasina Begum as the Directors of the company which was also recommended by the Board for the approval of the shareholders at the forthcoming AGM.

Total remuneration composition of Executive Director

Remuneration received by Executive Director consists of monthly salary and there was no change in the remuneration structure during the last 2 (two) financial years. The following remuneration payment was made during the last 2 (two) years:

Amount in BDT

Name	2021-22	2020-21
Mrs. Zareen Karim	3,600,000	3,600,000

Total fees of Non - Executive Directors & Independent Directors

All the Non-Executive Directors and the Independent Directors have been remunerated by way of only Board and committee meeting attendance fees during the financial year 2021-22. The following table demonstrates the meeting attendance fees received by each Director for the reporting year:

Amount in BDT

Name	2021-22		2020-21	
	Board meeting attendance fee	Committee meeting attendance fee	Board meeting attendance fee	Committee meeting attendance fee
Mr. Mohammad Obaidul Karim	60,000	-	60,000	-
Mrs. Zareen Karim	-	-	-	-
Mrs. Arzuda Karim	60,000	10,000	50,000	10,000
Mr. Salman Obaidul Karim	60,000	60,000	50,000	60,000
Mrs. Hasina Begum	60,000	-	50,000	-
Mr. Md. Shafiqur Rahman	60,000	60,000	60,000	60,000
Mr. A. N. M. Abul Kashem	60,000	70,000	-	30,000
Lt. Col. Kamal Ahmed, PSC (retd.)	-	-	20,000	40,000
Total	360,000	200,000	330,000	200,000

Total payments/ perquisites to Key Managerial Personnel

Key Managerial Personnel (KMP) consist of Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance, Vice Presidents and Assistant Vice Presidents. In the reporting financial year, the KMP received BDT 27.45 million as payments/ perquisites which was BDT 20.69 million in previous year.

Recommendation of Nomination & Remuneration Committee report for approval by the Board

This Nomination and Remuneration Report was recommended by the committee for approval by the Board of Directors of Orion Pharma Limited which was granted on November 13, 2022.

On behalf of the committee

Sd/-

Md. Shafiqur Rahman

Chairman

Risk Management Committee report

Part One: Statement by the Chairman of the Risk Management Committee

I, the undersigned, Independent Director and Chairman of Risk Management Committee, on behalf of the members of the committee, do hereby declare that the committee has pleasure in presenting Risk Management Committee report to the shareholders for the financial year ended June 30, 2022. The committee is satisfied that it has met its responsibilities for the reporting year and to the date of this report in accordance with its terms of reference as set down in its charter. The table below reflects the principal activities undertaken by the committee in liaison with management and the outcomes of these activities as on the reporting date:

Activities	Outcomes
<p>Assessment of risk management system</p>	<ul style="list-style-type: none"> • Evaluated, on annual basis, the adequacy of the charter along with reviewing and assessing the quality, integrity and effectiveness of the risk management systems; • Reviewed, when required, together with the statutory auditors, the risks associated with financial instruments that could affect the company's result and the measures planned for reducing those risks; • Conducted assessment of material risks facing the company taking into account different sources of assurance including management, internal audit and external audit; • Monitored the implementation of effective risk management policies, strategies and practices by management; • Ensured that risk considerations are incorporated into management responsibilities and decision making; and • Played a role along with the Audit Committee in the company's overall risk management process in the context of its responsibilities for internal control.
<p>Assurance in respect of risk management, mitigation and monitoring processes</p>	<ul style="list-style-type: none"> • Opined that the disclosure provided in this integrated annual report on the risk management strategies & policies along with the evaluation criteria and activities of the committee are adequate to present a transparent and independent view of the company's approach to identifying risks and taking necessary steps against them; and • Confirmed that the company's risk management, mitigation and monitoring processes have been effective in limiting the potential impact of risks on the business during the year under review.
<p>Preparation of report</p>	<ul style="list-style-type: none"> • Prepared a Risk Management Committee report for publishing in the Annual Report 2021-22 of the company.

Part Two: The report of Risk Management Committee

Introduction

The Board of Orion Pharma Limited set up a Risk Management Committee (RMC), a sub-committee of the Board, to oversee and drive improvement in risk management practices of the company. The committee has been duly constituted with one primary objective - supporting the Board by looking after the total process of risk management of the company. The charter clearly sets out the terms of reference or scopes of the committee's responsibilities. The committee reports regularly to the Board regarding its activities and performance. The Board also encourages the presence of executives, Head of Internal Audit and Compliance as well as representatives of the statutory

auditors; in the meetings of the RMC so that they may be able to provide valuable input for effective decision making.

Composition of the committee

The Risk Management Committee is comprised of 3 (three) members of whom 1 (one) is Independent Director, Mr. A. N. M. Abul Kashem and he is the Chairman of this committee. The other members are Mrs. Zareen Karim, Managing Director and Mrs. Arzuda Karim, Non-Executive Director. Other than the committee members, the Company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the committee.

The members of Risk Management Committee of OPL as on the reporting date are as follows:

Name	Joined the committee	Status with the committee	Status with the Board
Mr. A. N. M. Abul Kashem	2020	Chairman	Independent Director
Mrs. Arzuda Karim	2018	Member	Non-Executive Director
Mrs. Zareen Karim	2020	Member	Executive Director
Secretary: Mr. Md. Ferdous Jaman, Company Secretary			

Meetings & attendance

The following table demonstrates the attendance records of members at committee meetings during the financial year ended June 30, 2022. The committee held 1 (one) meeting and all members were present in the meeting of the committee. Mr. Md. Ferdous Jaman, Company Secretary also attended the meetings to act as the Secretary of the committee.

Name	Risk Management Committee meetings held	Risk Management Committee meetings attended
Mr. A. N. M. Abul Kashem	1	1
Mrs. Arzuda Karim	1	1
Mrs. Zareen Karim	1	1

Terms of reference

The committee reports that it operates within the terms of reference defining the role and responsibilities of Risk Management Committee as set out in its charter. The charter governs the procedures of the RMC and outlines the procedures and code for the total process of risk management of the company. The committee's responsibilities include, but not limited to, the following matters:

- Assisting the Board in framing risk strategy policies and ensure that these strategies are effectively administered by the management;
- Setting the risk tolerance and appetite levels of the company and ensure that the risks are taken within the agreed tolerance and appetite limit;
- Ensuring that the management formulates a policy for a system of risk management which is circulated throughout the company and annually assess the quality, integrity and effectiveness of the risk management plan;
- Establishing an effective ongoing process to identify risk and work out a plan for outcomes surrounding key risks;
- Overseeing and assessing formal reviews of activities associated with the effectiveness of internal control processes; and
- Presenting an independent and objective oversight and view of the information presented by management on corporate accountability along with assisting the Board in its responsibility for disclosure in relation to risk management in the annual report.

Reporting of the Risk Management Committee

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 to ensure that the Board is aware of any matter relating to the committee which may significantly impact the financial condition or other affairs of the company. The committee Chair, on behalf of the committee, reports to the Board following each meeting and prepares any report on the matters as outlined in its charter for the approval of the Board.

Part Three: Risk management framework

Overview of risk management

The Board of Orion Pharma Limited assumes the importance of maintaining and following an effective risk management and internal control system for the interest of the financial capital

providers. They define the risk appetite and tolerance level, along with framing risk strategy policies.

The Risk Management Committee, with the Audit Committee's support is responsible to design, implement and monitor the risk management framework at all levels of the organization. The management team is responsible with the tasks of implementing the strategies of the Board and notifying the committees immediately regarding any risks or violation of internal control that come to their attention.

The internal control, compliance and the statutory auditors are also integral parts of the framework reviewing audit and internal control.

We have categorized 19 (nineteen) risks under 4 (four) classifications to better focus upon them through structural and systematic targeting of common areas that have room of

We focus on 19 risks under 4 categories



Strategic risks



Compliance risks



Operational risks



Financial risks

Governance of risk management

Board of Directors

- Defines OPL's risk appetite and tolerance
- Frames risk strategy policies along with RMC
- Reviews risk management key outcomes

Risk Management Committee

- Identifies key risks and develops systems to manage them
- Facilitates and monitors the implementation of strategies and policies by management
- Oversees and reviews effectiveness of internal control processes along with AC
- Reviews risk reports from management, internal audit and external audit
- Provides independent and fair disclosure on risk management in Annual Report
- Continuously improves risk management policy and supporting framework

Audit Committee

- Maintains effectiveness of risk management and internal control systems along with RMC
- Reviews assurance reports from management, internal audit and external audit

Management team

- Implements and complies with Board and committee risk policies and procedures
- Identifies, assesses and manages risks within the organization regularly
- Fosters a culture where risks are identified and mitigated following the policies of Board

Internal control

- Reviews the effectiveness of the internal financial control systems and management responses
- Oversees the performance, adequacy and effectiveness of internal audit function and compliance process

Compliance

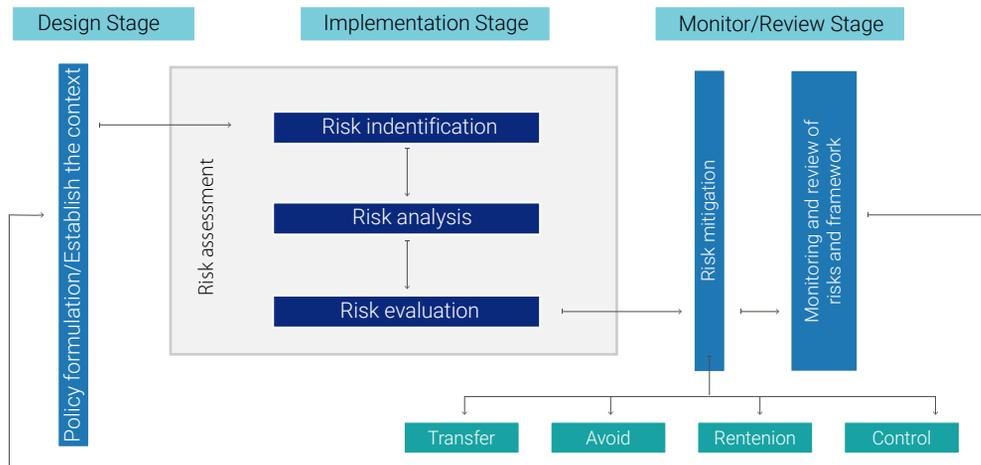
- Supports management policies, defines roles and responsibilities and sets goals for implementation of risk management processes

Statutory auditors

- Reviews the audit plan and provides assurance on the financial statements solving key financial reporting risks and problems

Risk management cycle

The risk management framework at OPL falls in 3 (three) stages: design, implementation and monitoring stages. The steps in our risk management cycle under our framework are as follows:



A. Design stage

Policy formulation/ Establish the context

The Risk Management Committee and Audit Committee establish the context considering the internal (mission, vision, goals and objectives) and external (overall business environment including stakeholders' objectives and perception) consideration, the basis upon which risks will be evaluated. In this regard they define a framework for the process and agenda for identification and analysis.

B. Implementation stage

Risk identification

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. The management is constantly engaged in identifying possible potential risks that may affect, either negatively or positively, the objectives and performance of our business.

Risk analysis

Assessing risk is a major part of our risk management process where we determine which risks have a greater consequence or impact than others. The probability of our risks are assessed according to their occurrence, probability and the potential impact of the risks.

Risk evaluation

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; and
- The risk is such that there is no treatment available.

C. Monitor/Review Stage

Risk mitigation

OPL works for identifying options for treating or controlling risk, in order to reduce negative consequences, or to reduce the likelihood of an adverse occurrence. The Management, Internal Audit, Compliance and External Auditors help in risk mitigation and aim to enhance positive outcomes. Risks are transferred, avoided, retained or controlled to minimize the negative risks.

Monitoring & review of risks & framework

The RMC periodically monitors risks and reviews 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.

Potential risks

Below is a list of key risks having significant impact on the operation of the company and also the procedures to mitigate or control those risks. The list of mitigation measures is only illustrative and not exhaustive.

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Strategic risks				
1. Market demand and competition				
Presence of significant number of pharmaceutical companies and also the availability of same generic products from different companies results in tough competition that we are already facing.	 Financial capital  Intellectual capital	<ul style="list-style-type: none"> Market presence Product specific strategy 		<ul style="list-style-type: none"> Promotional activities for generic brand through right channel Adoption of effective and efficient marketing strategies Healthcare professionals engagement Strong systems and processes to monitor and manage the performance of each product
2. Potential conflict of interest				
The Directors of OPL are also involved with Orion Infusion Limited (both the companies are member concerns of Orion Group), which falls in the pharmaceutical sector that might cause a conflict of interest.	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Even though both companies belong to the pharmaceutical sector, their product lines are completely different

Our governance
Committee report

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Strategic risks (Contd.)				
3. Supply disruption				
<p>Disruption 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.</p>	 Manufactured capital  Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Adoption of strong supply chain management Inventory management Planning, development and implementation of contingency plan
4. Product pipeline and development				
<p>Failure to establish bioequivalence may lose us international markets. Also, development of new products taking longer time and being more costly than estimation may create hindrance in capturing the potential market.</p>	 Financial capital  Intellectual capital	<ul style="list-style-type: none"> Product specific strategy Patient health and safety 		<ul style="list-style-type: none"> We offset this risk by going for regular market surveys and always develop new medicines as per market's medicinal need Continuous monitoring of product development progress Robust business strategies developed for selected upcoming products
5. Corporate reputation				
<p>If the reputation falls, it will be difficult for OPL to recover it and sustain in the long run.</p>	 Social and relationship capital	<ul style="list-style-type: none"> Operational excellence Market presence 		<ul style="list-style-type: none"> Compliance with standards and regulations applicable for the company Proper disclosure of necessary data for govt., shareholders, customers and other stakeholders Alignment of CSR with our values

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Strategic risks (Contd.)				
6. Stakeholder relationship				
<p>If stakeholder relationship is not maintained well, OPL will lose its trust and the market also. The stakeholders may not step forward if proper relationship is missing.</p>	 Social and relationship capital	<ul style="list-style-type: none"> Ethical behavior and governance Patient health and safety 		<ul style="list-style-type: none"> Regular communication to related stakeholders Supply of necessary data and fulfillment of their legitimate needs to maintain smooth and reliable relation
 Compliance risks				
7. Product quality				
<p>Serious adverse event with consumers and potential product quality risks in use of products can damage our image and decline the quantity of sale.</p>	 Financial capital  Social and relationship capital	<ul style="list-style-type: none"> Patient health and safety Operational excellence 		<ul style="list-style-type: none"> Compliance with rules and regulations including ISO, WHO, DGDA etc. Enforcing quality standards on vendors Pharmacovigilance Customer complaint form Import of APIs from best sources and using USDMF grade raw materials Regular quality inspection Computerized product testing
8. Compliance issues				
<p>OPL may lose its market, face damage to corporate image and financial penalty if it does not conform to relevant compliances issues and certification.</p>	 Financial capital  Social and relationship capital	<ul style="list-style-type: none"> Ethical behavior and governance 		<ul style="list-style-type: none"> Compliance in every aspect of health and safety, financial and reporting, quality of product, production and plant, international business and so on Disclosure of a statement of compliance in annual report

Our governance
Committee report

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Compliance risks (Contd.)				
9. Environmental consideration				
<p>Failure to make positive contribution to the environmental dimension of sustainability reporting will damage our corporate image.</p>	 Natural capital  Social and relationship capital	<ul style="list-style-type: none"> Eco-friendly environment practices 		<ul style="list-style-type: none"> Maintenance of effective waste management Adoption of air pollution control mechanism Maximum usage of daylight Conservative use of natural resources Adoption of paperless office concept
 Operational risks				
10. Political instability				
<p>Instability and turbulence of the political condition severely disrupt the operation and cause downturn of sales of the business. Sales decreased, production hampered are some risks arised from political instability.</p>	 Financial capital  Manufactured capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Keeping up to date information about volatile political climate, macro and micro political risk environment, change in government, new laws and regulations etc. Careful analysis and evaluations of the situations
11. People and talent				
<p>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.</p>	 Human capital  Social and relationship capital	<ul style="list-style-type: none"> Employee well-being and engagement 		<ul style="list-style-type: none"> Fair and transparent recruitment process Arrangement of succession planning Regular training and development programs Remuneration structure based on the industry analysis

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Operational risks (Contd.)				
12. Health and safety				
<p>Failure to comply with health and safety laws and industry standards, injury to employees that causes legal liability and failure to safely and appropriately handle hazardous and toxic materials may have adverse impact on our operations and business.</p>	 Human capital  Social and relationship capital  Financial capital	<ul style="list-style-type: none"> Employee well-being and engagement 		<ul style="list-style-type: none"> Precautionary equipment and safety measures Training of workers and employees on health and safety Availability of group insurance benefit Availability of full time doctors Ensuring balanced diet of employees Providing transport facility to employees
13. Information technology failure				
<p>With the office being adapted to a paper-less office, disruptions or failures in our information technology systems and network infrastructure will result into operational disruption, loss of data, financial loss and damage to corporate image.</p>	 Intellectual capital  Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Development of a strong access security to the server Protective measures such as firewalls, antivirus, data encryption, routine back-ups, disaster recovery procedures etc Awareness campaign
 Financial risks				
14. Liquidity crisis				
<p>If we have inability to meet our obligations and expense in time, it will threaten our financial position and our strong existence.</p>	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Mitigation of the risk by developing strategies and taking appropriate actions designed to ensure that necessary funds and collateral are available when needed Monitoring of cash flow regularly

Our governance
Committee report

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Financial risks (Contd.)				
15. Credit risk				
Credit Risk is the risk that may arise if customers fail to make required payments on due time.	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Effort to make collections faster by constantly being in touch with our customers
16. Interest in subsidiaries				
OPL has 2 (two) subsidiaries in the power sector from where a significant portion of revenue is achieved. This might have a negative impact on the company.	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Contract signed with BPDB for a fixed number of years ensures payment
17. Value of investment				
<p>Risk in investing in the marketable securities being offered with comparison to other available investment option.</p> <p>This risk may arise from making any capital investment through business expansion.</p>	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Maintenance of a diversified investment portfolio As for our business expansion through the Pharma Park, our marketing team constantly surveys the market trend and gives feedback upon which our production will take place Survey of market trend and analysis of future requirements
18. Interest rate risk				
Risk that arises from fluctuating interest rates that occur due to macroeconomic reasons might have a negative impact on the company.	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Maintenance of low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant

Our governance
Committee report

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Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
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 Financial risks (Contd.)

19. Exchange rate risk				
<p>OPL has offshore markets and receives revenue in the form of foreign currencies. Any unforeseen deviations in the exchange rates might have a negative impact on the company.</p>	 Financial capital	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> 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



Our governance Committee report

Internal control framework

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 with assistance from Audit Committee and Risk Management Committee 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 Committee to assure that internal control system is functioning properly and it is up-to-date with the changing business environment.

Internal audit

Our Internal Audit Department performs a very specific job that is designed to assist in financial audit and inventory audit function. 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 concerned 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.

Moreover, they also conduct inventory audit at CDC and every depot on a regular basis. A monthly report is also prepared and delivered to the Managing Director regarding their activities and findings.

Financial reporting control

In order to provide assurance on the reliability of the financial statements, the company has placed different policies, practices and control mechanism which are designed to identify and solve key financial reporting problems including the risks of changes in accounting standards. The statutory auditors also provide assurance about the financial statements. The Chief Executive Officer and the Chief Financial Officer is required to provide their certification on the true and fair view of the financial statements. Further to that the integrity of the financial statements are supported by the review and recommendation of the Audit Committee and approved by the Board of Directors.

Recommendation of Risk Management Committee report for approval by the Board

This Risk Management Committee report was recommended by the committee for approval by the Board of Directors of Orion Pharma Limited which approval was granted on November 13, 2022.

On behalf of the committee

Sd/-

A. N. M. Abul Kashem
Chairman

Code of conduct & business ethics

Orion Pharma Limited is committed to maintaining the highest standards of business conduct and ethics. The code of conducts and business ethics of OPL is applicable to all employees (whether regular, contractual or casual) of the company, its subsidiaries and others who perform services for OPL. The code of conduct for the Board members and the CEO has been duly approved by the Board of Directors and posted the same in the company's website.



Code of conduct & business ethics

Compliance with the standard of ethical code is a key element for OPL in establishing itself as an organization by forming an ideal corporate ambience. Conflict of interests, intellectual property, corporate responsibilities and various other corporate segments are ensured to fully adhere with the rules and regulations associated with the business activities. OPL also maintains an equal opportunity environment and mutual respects among the employees to retain the dignity of our valued employees and Board members. Management is aware about the company's image, hence motivate the employees to perform with honesty and utmost diligence.

Failure to comply with the code, the required certification process or failure to cooperate with an internal investigation of an actual or apparent violation of this code may constitute grounds for disciplinary action, up to, and including, termination.

01 Our commitment to each other

➤ Mutual respect

OPL respects everyone as individuals and treat them with dignity. By treating each other with respect, dignity, courtesy and fairness, OPL continues to succeed through effective teamwork and collaboration.

➤ Equal opportun

OPL provides equal opportunity in employment to all employees and applicants. Equal opportunity rights are applicable to recruitment, employment, and employment-related decisions including, but not limited to, hiring, firing, transfers, promotions, financial benefits etc.

➤ Families & rela

In our company employment is done on a basis of merit. Immediate family members of employees may be hired only if the appointment is based on qualification, performance, skill 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, promotion and transfer, even if the relationship develops after joining the company.

➤ Free of discrimina

The company is committed to maintaining a workplace free of discrimination, harassment, intimidation or inappropriate conduct based on gender, race, color, religion, age, disability and/or any other category.

Therefore, the company does not tolerate any behavior, whether verbal or physical that creates an intimidating, offensive or hostile work environment, or that interferes with work performance. If employees experience or are aware of any conduct being violated this section, they are encouraged to raise their concern through the human resources department immediately.

➤ Workplace safe

OPL believes that workplace safety is of utmost importance in any organization as it benefits both the company and the employees. 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 demand on rest of the family members. Safety transforms a company and the employees into an instinctive team of people with a common goal.

When a company prioritises 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 equipment and a healthy working environment.

We have 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.

➤ Prudent conduct & b

Behind every successful company there is role of employees and management who are responsible for their honesty, performance and discipline they have shown to the company for a considerable span of time. OPL believes in the same notion and gives high importance to these factors and keep motivating the employees to maintain prudent conduct and behavior in compliance with the ethical standards of behavior. In addition, HR continues to analyze how to boost the performances and incorporate more rules and regulations to keep the employees to act in a more disciplined manner and provide various incentives to retain the loyalty of the employees towards the company. Our HR department focuses on personnel development and therefore conducts regular trainings and management co-ordination meetings.

02 Our commitment to our company & shareholders

➤ Conflict 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 company. 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 divisional head to resolve the situation in a fair and transparent manner.

➤ Corporate business opportunities

Employees of OPL are prohibited from taking for themselves opportunities that are discovered through the use of company property, information or position, for personal gain, and/or competing with the company. The extent that an employee learns of an investment opportunity because of their position with the company, they must not misuse fund or client accounts by personally taking advantage of the private business opportunity. In compliance with the ethical code of conduct OPL protects the company's assets and ensures they are used for legitimate business purposes instead of investing in private interests or activities.

➤ Protection & proper use of company assets

Everyone at OPL is conscious and committed to ensuring the efficient use of the company assets and always tries to protect these from misappropriation, loss and destruction.

We safeguard and make only proper and efficient use of company 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.

➤ Confidentiality

Confidential business information is a valuable company asset. "Confidential business information" 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. Also, 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.

➤ Accuracy & retention of business records and documents

All business information including financial records of OPL are reported in a timely and accurate manner. Financial information of our company reflects actual transactions. Business documents and records include paper documents such as letters and printed reports.

They also include electronic documents such as e-mail and any other medium that contains information about our company and/or its business activities. We encourage all employees to use all of this information wisely and carefully to get the best value from it.

➤ Inside information & securities trading

Employees of OPL who have access to confidential (or "inside") information are not permitted to use or share that information for stock trading purposes or for any other purpose except to conduct our business. All nonpublic information about the company or about companies with which we do business is considered inside information. Such information may include new marketing initiatives, sales and earnings results or projections, major contracts with customers or suppliers, potential acquisitions or mergers, other significant developments or any other information that a reasonable investor would consider important in deciding whether to buy, sell or hold securities. To use material nonpublic information in connection with buying or selling securities, or "tipping" others including friends and family who might make an investment decision on the basis of this information, is not only unethical, it is illegal. Our employees exercise the utmost confidentiality when handling material inside information.

02 Our commitment to our company & shareholders (contd.)

Intellectual property

Intellectual property is considered to be reserved with utmost sincerity as it plays a significant role in promoting a creative and competitive environment. Keeping company related information, trade mechanisms, production techniques, technological development confidential and using the public domain like newspaper or websites as source for gathering general information. OPL ensures to protect its intellectual property by maintaining confidentiality, not allowing any data which is irrelevant to the company and can put the company to risk and taking legal consultations if there is any default in the intellectual property.

Competition

OPL ensures to promote a fair competitive environment and maintain the quality of employees and the products simultaneously. OPL believes free market economy competition is the key to progress. Market prices, selling of products, production are all operated fairly so that no injustice is done to the customers and the employees. In case of any misuse through competition, legal department must be informed to seek necessary actions against the failure in compliance with the ethical code of fair competition.

Information, communication & media

Information is an essential tool for OPL. Effective utilization and dissemination of information can play a crucial role in determining company's potential and its image in the industrial arena. Communication with the appropriate source in a suitable time with the help of right media is the objective of OPL from the very beginning of its journey. Employees of OPL remain updated with all information necessary to be circulated in the market through media by staying compliant with the ethical standards of communication.

Cooperating with auditors

Standards require auditors to state whether, in their opinion, the financial statements are presented in conformity with International Accounting Standards or International 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. OPL is responsible for adopting sound accounting policies and for establishing and maintaining internal control so that it assists auditors in their responsibilities.

Accurate disclosure to the public

OPL realizes the significance of accurate and timely information disclosure to its stakeholders. 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.

Maintain relationship with regulators

OPL 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. We maintain a free-flowing relationship with them.

Compliance with laws, rules & 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.

03 Our commitment to our customers & business partners

➤ Bribery & corruption

Bribery occurs when things of value are provided directly or indirectly to individuals, including government officials, business partners, clients or prospective clients to influence a discretionary decision. This is strictly prohibited at OPL. 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, may not only entail disciplinary sanctions but also result in criminal charges.

➤ Gifts, meals & entertainment

Employees shall not be influenced by receiving favors nor shall they try to improperly influence 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.

➤ Fair dealings

We respect all people and have a reputation of trust through all of our relationships. Therefore, we do not disclose to a third party any contractual information in terms of our business relationships with others. All concerned employees are trained to deal fairly with company's customers, suppliers, partners and competitors and anyone else with whom have to contact in the course of performing the job.

➤ Sales, marketing & communications practices

OPL take pride in the quality of our services and are committed to competing fairly by employing ethical business practices. We present only accurate and truthful information about our products in presentations, discussions with clients, our advertising, promotional literature and public announcements.

➤ Selecting suppliers

OPL 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 in a timely manner.

04 Our commitment to our communities

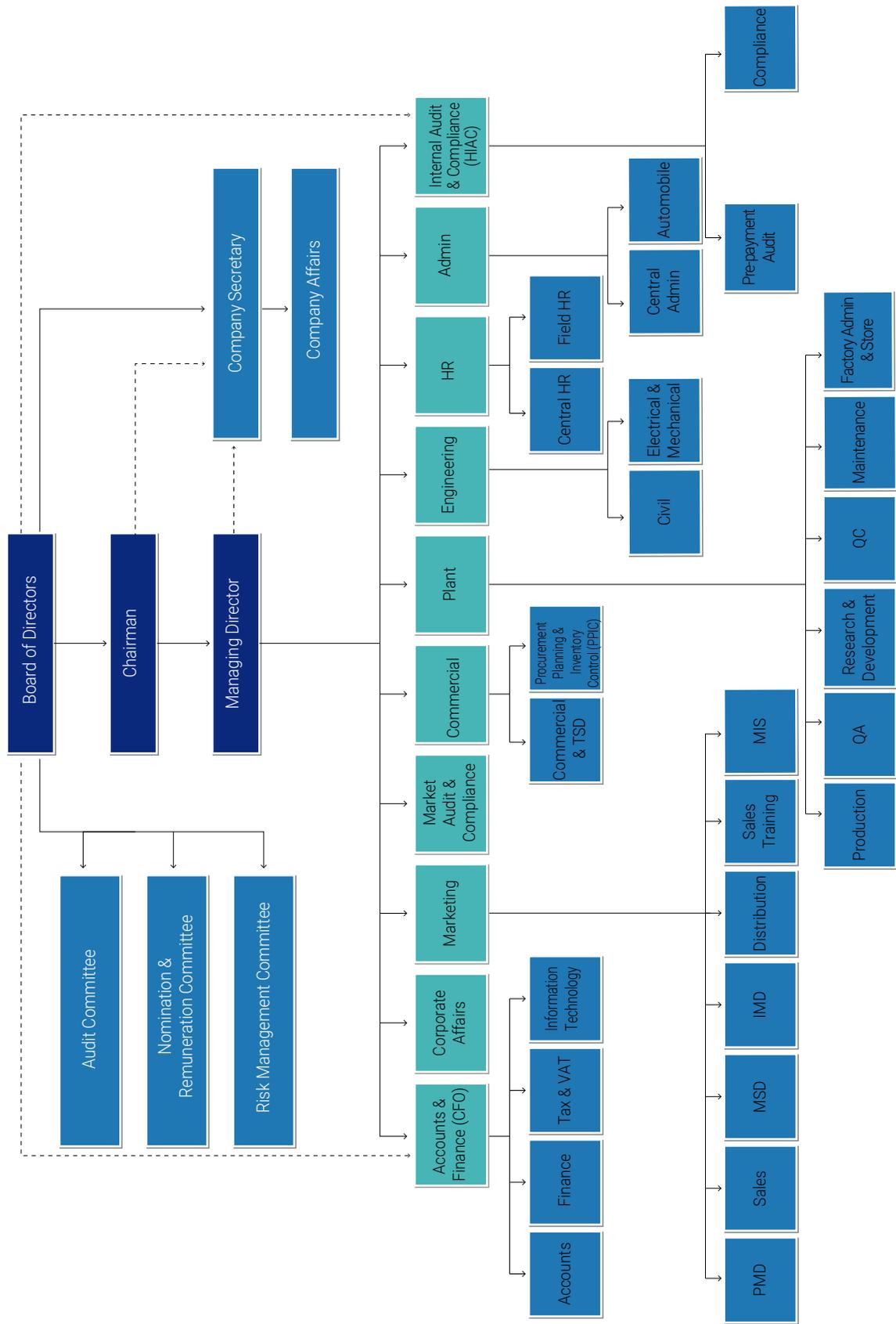
➤ Political contributions & activities

OPL is prohibited to participate in any political activities and donations to maintain a fair corporate environment within the company. Involvement in political activities shall be perceived as compromising employees' performance of their duties in an impartial manner. In order to maintain a nonpolitical environment inside the organization and to retain the pure corporate culture employees are bounded with certain restrictions.

➤ Protection of environment

OPL has an ethical responsibility to protect the environment and comply with environmental laws and regulations. Responsible environmental actions are not only important to our customers, vendors and other key stakeholders; it is the right thing to do. Our goal is to avoid any situation that may lead to unacceptable environmental or health hazards for the employees, the public or the environment.

Organizational chart



Our governance
Code of conduct & business ethics

Compliance with laws, rules, regulations & standards

We are committed to prove ourselves as a compliant company and assure our stakeholders that we conduct our operations and run our business in compliance with all the relevant laws, rules, regulations and standards applicable to our company including but not limited to the following:

Company affairs



- Companies Act, 1994
- Rules and regulations of RJSC
- Securities and Exchange Ordinance, 1969
- Bangladesh Securities and Exchange Commission Act, 1993
- Listing Regulations, 2015
- Notifications, guidelines, directives and orders of BSEC

Financial & reporting



- Companies Act, 1994
- Securities and Exchange Ordinance, 1969
- Securities and Exchange Rules, 1987
- Bangladesh Securities and Exchange Commission Act, 1993
- Listing Regulations, 2015
- Notifications, guidelines, directives and orders of BSEC
- Income Tax Ordinance, 1984
- Income Tax Rules, 1984
- Value Added Tax and Supplementary Duty Act, 2012
- Value Added Tax and Supplementary Duty Rules, 2016
- Customs Act, 1969
- SRO related to Tax, VAT and Customs
- International Accounting Standards
- International Financial Reporting Standards

Product



- Rules of Directorate General of Drug Administration (DGDA)
- Compliances with WHO Good Manufacturing Practices (GMP)

Labor & employment



- Bangladesh Labor Act, 2006
- Bangladesh Labor Rules, 2015

Plant & production



- ISO 9001:2015
- Bangladesh Environment Conservation Act, 1995

International Business



- Value Added Tax and Supplementary Duty Act, 2012
- Value Added Tax and Supplementary Duty Rules, 2016
- Customs Act, 1969
- SRO related to Tax, VAT and Customs
- Import and export policies and orders
- Rules of the DGDA
- Bangladesh Bank guidelines for foreign exchange transactions

Shareholders' grievance redressal system

Investor Grievance Redressal process of OPL aims at empowering the investors by providing them an effective and efficient process to resolve their complaints or quarries. OPL accords highest priority for resolving of investor complaints/disputes and therefore the company has a dedicated grievance redressal team, as a part of Share Department, to ensure that complaints received from investors are redressed at the earliest and without any delays. The grievance redress team protects the rights of the shareholders.



SHAREHOLDERS

They are redressed promptly and fairly within the regulatory framework

We follow these principles with regard to shareholders' grievance redressal system:

- All shareholders be treated equally
- All queries raised by investors be dealt promptly and with courtesy
- All queries be resolved efficiently and fairly within the regulatory framework

Procedure of submitting grievance/queries



The company has a designated e-mail ID:

orion.share@orion-group.net

on which investor(s) can lodge their grievance / complaint. The designated person of the share department monitors the said e-mail ID on a daily basis to check whether any new complaint has been lodged.



The company also has a designated telephone number:

+88-02-8870133 (Ex. 160 & 161)

of share department for receiving verbal complaints and grievances of the investors.



An investor can make a written complaint through a letter to the mailing address:

**Share Department
Orion Pharma Limited
Orion House
153-154, Tejgaon Industrial Area, Dhaka -1208,
Bangladesh**



An investor may make a written complaint through fax of the company on fax number:

+88-02-8870147

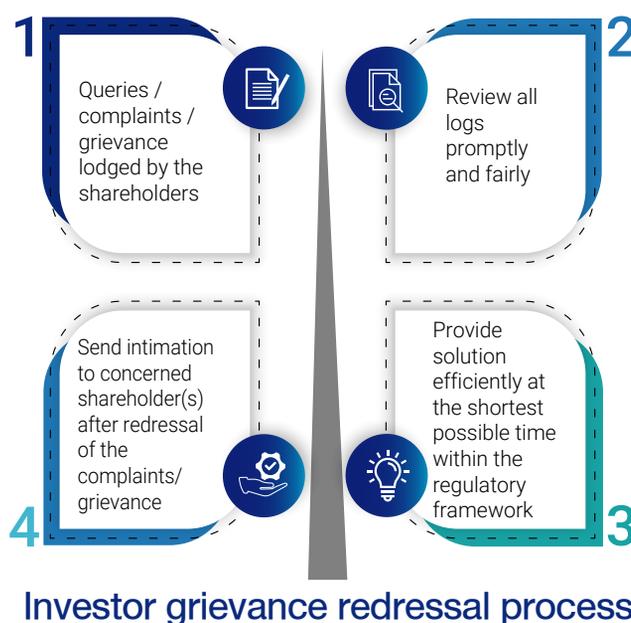
Redressal of investor queries

- The Share Department obtains all information available on the complaint received from investors through email, post, telephone or fax which is considered necessary for a proper investigation and take necessary steps to resolve them as soon as possible;
- Personal calls and proactive follow-ups are made to resolve grievance of the investors to enhance shareholders' confidence; and
- The Company Secretary also monitors the status of pending complaints along with the settlement status on a regular basis.

In addition, OPL holds Annual General Meeting (AGM) regularly as per law. A notice of that meeting and other supporting documents are dispatched to shareholders and the invitation to the AGM contains information and guidelines relevant to the meeting, including the voting procedure for the shareholders.

In case shareholders cannot personally attend the meeting, they may appoint a proxy through filling out the proxy form provided along with the other documents or may download the same from the company's website, to appoint any person as proxy to attend and vote at the AGM.

Shareholders are welcome to attend the company's interactive and informative AGM at which they have the opportunity to ask questions. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions offered at the AGM with utmost seriousness.



Our governance
Shareholders' grievance redressal system



The Chairman, Managing Director, Directors, Company Secretary, Chief Financial Officer
at the 56th Annual General Meeting of Orion Pharma Limited

Directors' report

The Directors of Orion Pharma Limited 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 June 30, 2022.

Industry Outlook

Pharmaceutical industry in Bangladesh has grown tremendously since the beginning of its journey in late 80's of the last century. A few decades ago, the country was dependent on imported medicines as well as drugs produced by multinational companies for meeting domestic demands. Now, Bangladesh pharma industry is capable of meeting 98% of the domestic demand.

The pharmaceutical industry is responsible for the development, production, and marketing of branded and generic pharmaceuticals. In 2014, total pharmaceutical revenues worldwide exceeded 1 trillion United States dollars (USD) for the first time. The market has been growing at an annual rate of 5.8% since 2017. The global pharmaceutical manufacturing market size was valued at USD 405.52 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 11.34% from 2021 to 2028.

The pharmaceutical landscape has undergone a massive transformation with the emergence of new technologies, cost-effective, and more efficient manufacturing approaches. In addition, increasing investment flow in this space has impacted the market growth positively. Manufacturing floor downtime and the production of product waste are reduced by the implementation of robotic technology and Artificial Intelligence (AI).

In addition, single-use disposable solutions have gained momentum in this industry and have replaced conventional open transfer manufacturing techniques. Furthermore, the paradigm shift towards integrated, smart, and data-rich paperless operations has resulted in error-free and precise production. Such ongoing developments have propelled drug manufacturing.

Outlook of Bangladesh pharmaceutical industry

Bangladesh Pharmaceutical Market will be more than US\$6 Billion by 2025. The share of local pharmaceuticals companies will be more than 90%. In addition, the Share of Generics Drugs in Pharmaceutical Market is estimated at 75%. By 2025, there will be US\$ 450 Million worth of export opportunities for Bangladeshi Pharmaceuticals Companies. It is a positive sign that the efficiency of the local companies is improving and the expanding the manufacturing facilities to take the industry to newer height.

Principal activity

Orion Pharma Limited is a publicly listed pharmaceutical company focused on the development, manufacture and marketing of a broad range of generic and branded pharmaceutical products in solid, semi-solid, powder, liquid and injectable final dosage forms. The company's pharmaceutical operations are conducted in both local and international markets. The majority of the company's export business are in non-regulated markets but we have plans to enter into regulated pharmaceutical market after full completion of the construction of Orion Pharma Park.

Product status

The status of products of Orion Pharma Limited available at the end of the financial year has been shown here under 6 (six) product categories:

Product categories	No. of products
Tablet	114
Capsule	26
Liquid & suspension	30
Injection	30
Powder for suspension	18
Cream & ointment	5
Total	223

Our governance

Highlights on financial results

This point provides a snapshot of some of our key performance indicators (on consolidated figure) regarding our financial performance of the financial year 2021-22 along with the preceding financial year:

Particulars	Amount in BDT		
	2021-22	2020-21	% increase (decrease)
Net turnover	9,661,609,862	10,832,568,048	(10.81%)
Cost of sales	(7,687,412,770)	(8,193,045,108)	16.73%
Gross profit	1,974,197,092	2,639,522,940	(25.21%)
Net profit before tax	1,054,161,256	1,187,189,803	(11.21%)
Net profit after tax	846,084,112	939,064,196	(9.90%)
Earnings per Share	3.62	4.01	(9.90%)

Segment wise or product wise performance

Orion Pharma Limited itself is operating its business in a single economic segment i.e. the pharmaceutical industry within and outside the territory of Bangladesh. The company is the parent company of another 2 (two) power generation companies i.e. Orion Power Meghnaghat Limited and Dutch Bangla Power & Associates Limited. These 2 (two) revenues 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.

Sector wise sales

Year	Amount in BDT		
	Pharmaceutical	Power	Total revenue
2021-22	2,995,167,358	6,666,442,504	9,661,609,862
2020-21	2,612,321,217	8,220,246,831	10,832,568,048

Local and export pharma sales

Year	Amount in BDT		
	Local	Export	Total revenue
2021-22	2,871,331,028	123,836,330	9,661,609,862
2020-21	2,422,443,036	189,878,181	10,832,568,048

Pharma cost of goods sold & profit margin

The cost of goods sold compared to net turnover has remained almost same, which is 45.07% in reporting year and 44.27% % in 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	Amount in BDT		% of total COGS	
	2021-22	2020-21	2021-22	2020-21
Raw materials	537,490,498	471,482,304	39.81%	40.77%
Packing materials	279,814,621	241,266,440	20.72%	20.86%
Factory overhead	561,665,818	490,027,800	41.60%	42.37%
Manufacturing cost	1,378,970,937	1,202,776,543	102.14%	103.99%
WIP (Opening-Closing)	5,807,907	(14,704,203)	0.43%	(1.27%)
FG (Opening-Closing)	(27,316,428)	(17,106,766)	(2.02%)	(1.48%)
Cost of physician sample	(7,329,606)	(14,383,524)	(0.54%)	(1.24%)
Cost of goods sold	1,350,132,809	1,156,582,051	100.00%	100.00%

Pharma sales
BDT **2,995.17** million

Cost of goods sold
BDT **1,350.13** million
% of sales **45.08%**

Gross profit
BDT **1,645.03** million
Margin **54.92%**

Net profit
BDT **662.68** million
Margin **22.12%**

Utilization of production capacity

Item	Production capacity		Actual production	
	2021-22	2020-21	2021-22	2020-21
Tablet & capsule	763.69	694.26	660.59	523.20
Oral liquid, injection, PFS, cream & ointment	26.05	23.68	19.20	17.27

Capacity utilization (%)			
Tablet & capsule		Oral liquid, injection, PFS, cream & ointment	
2021-22	86.50	2021-22	73.71
2020-21	85.57	2020-21	72.93

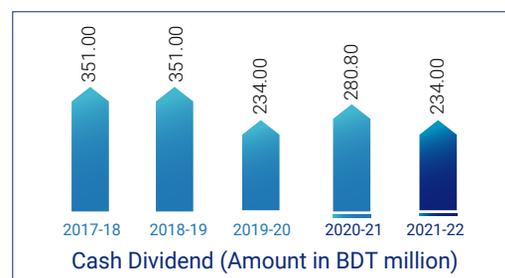
Additional investments

The fund capitalized for acquisition of fixed assets and for construction work in progress by Orion Pharma Limited and its subsidiaries during the reporting period is as follows:

Additional investment	Amount in BDT	
	2021-22	2020-21
Land and land development	58,860,700	230,046,930
Factory and office building	-	5,218,137
Plant and machinery	5,213,692	-
Furniture and fixtures	749,284	14,292,384
Office equipment	11,164,898	27,174,024
Vehicles	-	-
Laboratory Equipment	-	-
Road and road development	7,438,885	-
Total	83,427,459	279,081,475

Declaration of dividend

With the recommendation of Directors for a cash dividend of 10% (BDT 1.00 per share) for the financial year 2021-22, the company will have a payout of BDT 234,000,000.00 subject to approval of the Shareholders at the 57th Annual General Meeting. The dividend will be applicable for the shareholders whose names will appear in the depository register of CDBL as on Record Date i.e. December 04, 2022.



Appropriations of profit

Considering the financial statements of Orion Pharma Limited and also the interest of the Shareholders, the Board of Directors has proposed and recommended following appropriation of profit for the financial year 2021-22:

		Amount in BDT	
Net profit for the Period (2021-22)		662,679,032	
Add: Adjustment for depreciation on revaluation surplus		8,687,926	
Profit brought forward from previous year		237,696,227	
	Profit available for distribution		909,063,184
Less: Appropriation proposed:			
Cash Dividend @ 10%			234,000,000
	Transfer to retained earnings		675,063,184

Operation of subsidiaries

Orion Power Meghnaghat Limited (OPML)

During the financial year ended June 30, 2022, Orion Power Meghnaghat Limited had a total revenue of BDT 3,425.85 million broken up into BDT 506.65 million as Reference Energy Price (Variable O&M), BDT 2,917.89 million as sales revenue from HFO OOSL. The total revenue is derived after considering foreign exchange gain of BDT 0.31 million. Its net profit is BDT 109.27 million during the period under report. Since the company is not listed, its market price cannot be determined. The Earnings and the NAV per share as on 30 June, 2022 stand at BDT 1.09 and BDT 52.97 per share respectively. The contract of OPML with BPDB has been renewed for another two years till March 2024.

Dutch Bangla Power & Associates Limited (DBPAL)

During the financial year ended on June 30, 2022, the turnover of Dutch Bangla Power & Associates Limited is BDT 3,240.59 million broken up into BDT 71.12 million as Reference Rental Price, BDT 394.09 million as Reference Energy Price (Variable O&M), BDT 2,780.98 million as sales revenue from HFO OOSL and BDT 5.60 million as foreign exchange loss. The company has made a net profit of BDT 118.80 million and consequently EPS stands at BDT 11.88. It is not a listed company and the NAV is BDT 361.06 per shares as on 30 June, 2022. The contract of DBPAL with BPDB has been renewed for another two years till March 2024.

Risks & concerns

The company is always aware of that business is subject to variety of risks and uncertainties e.g. industry risk, liquidity risk, market risk, operational 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 its 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.

Continuity of any extra-ordinary gain or loss

There is no extra-ordinary gain or loss in the financial statements prepared for the financial period 2021-22 as well as for the financial period 2020-21.

Disclosure on related party transactions

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 during the reporting period was approved by the Board of Directors and the same will be placed before the shareholders for approval in the ensuing Extra-ordinary General Meeting (EGM).



A statement of all related party transactions containing the name of related parties, nature of related parties, nature of transactions and total transaction values is mentioned under notes 3.15 and 38.1 of the audited financial statements as per IAS 24

Utilization of proceeds from public issues, right issues 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 2.40 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 Orion Pharma Park at Sumilpara, Siddhirganj, Narayanganj 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 share 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 public offerings upto June 30, 2022. Therefore, no explanation is required in this connection.

Explanation about significant variance between quarterly & annual financial statements

No significant variation occurred between the quarterly and annual financial statements of the company during the year.

Significant deviation from the operating results of last year

During the year, significant deviation has occurred from the operating results of last year of the company. Net operating Cash Flow per share decreased significantly due to decrease in cash collection from customers as well as increase in payment to suppliers & others.

Key operating & financial data of preceding five years

A summarized statement stating the key operating and financial data of preceding (5) five years have been disclosed in this annual report. Various financial information in terms of Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial position, ordinary share related information and different financial ratios for preceding 5 (five) years are included in this statement.

Remuneration paid to Directors including Independent Directors

The Directors excluding the Managing Director of Orion Pharma Limited do not receive any facilities or perquisites except Board meeting and committee meeting attendance fees which are reviewed annually and approved by the Board of Directors. Total remuneration expenses of the Directors of Orion Pharma Limited is BDT 3.60 million during the reporting financial year and the amount has been disclosed as an expense under the head of General and Administrative Expenses in the note 30.a of the financial statements.

Corporate & 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 preparation of the financial statements and the accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh. Any departure therefrom has been adequately disclosed.
- Internal control system is sound in design and implemented and monitored effectively.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- No Bonus share or stock dividend has been or shall be declared as interim dividend.



The compliance report on IAS/IFRS is presented in Annexure E

Shareholding structure of the company

A report on the pattern of shareholding as on June 30, 2022 is presented in terms of the aggregate number of shares held by-

- Parent or Subsidiary or Associated Companies and other related parties;
- Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;
- Executives; and
- Shareholders holding ten percent (10%) or more voting interest in the company;



The present shareholding structure of the company is shown in annexure D

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 analyses qualify the company as a going concern and consequently the financial statements are also prepared on the basis of going concern assumption.

Consolidation of accounts

As per BSEC Regulations, the company has prepared consolidated financial statements following the codes of IFRS 10. For the preparation of consolidated statements of OPL, the audited financial statements of 2 (two) subsidiaries have been taken into consideration.

Contribution to national economy

The total contribution to the national exchequer by Orion Pharma Limited as on June 30, 2022 was BDT 851.68 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 28.44% of the net revenue.

Board meetings held

A total of 6 (six) Board meetings were held during the financial year ended June 30, 2022. In addition to the Directors, the Chief Financial Officer (CFO), the Company Secretary (CS) and the Head of Internal Audit and Compliance (HIAC) also regularly attended the meetings. The Head of Internal Audit and Compliance (HIAC) also regularly attended the meetings.

Our governance

Directors' report

Appointment or re-appointment 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 AGM. Mrs. Arzuda Karim and Mrs. Hasina Begum, Directors of the company, will retire by rotation from the Board, but being eligible, have offered themselves for re-election which was also recommended by the Board for the approval of the shareholders. Brief profiles of the Directors going to retire and re-elect are disclosed on Annual report 2021-22.

Management Discussion & Analysis

Detailed analysis of the company's position and operations have been presented in a Management Discussion and Analysis signed by Mrs. Zareen Karim, Managing Director of the company. The statement focuses on:

- accounting policies and estimation for preparation of financial statements;
- changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;
- comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;
- compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;
- briefly explain the financial and economic scenario of the country and the globe;
- risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and
- future plan or projection or forecast for company's operation, performance and financial position.

Declaration or certification by the MD & the CFO

As per the corporate governance code prescribed by BSEC, it is the responsibility of both MD and CFO to certify to the Board on the preparation of financial statements as per the applicable IAS and IFRS and the presentation of true and fair view of company affairs.



Declaration or certification by the MD and the CFO has been disclosed in Annexure A

Appointment of statutory auditors

The Directors hereby report that as per the Companies Act 1994 and the Articles of Association of the company, the existing auditors, Malek Siddiqui Wali, Chartered Accountants, who were appointed as statutory auditors of the company in the last Annual General Meeting, has carried out the audit for the reporting year ended June 30, 2022, will retire at the conclusion of the ensuing Annual General Meeting.

Meanwhile, they have confirmed their eligibility and willingness to accept their office as the statutory /external auditors of the company for the next financial year, if re-appointed. In this regard, subject to the approval of shareholders in this forthcoming Annual General Meeting, the Board, as per the recommendation of the Audit Committee, has recommended to appoint Malek Siddiqui Wali, Chartered Accountants, as the statutory auditors of the company for the next financial year to be ended June 30, 2023.

Status of compliance

OPL 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 of full compliance with all applicable rules and regulations and to assure the stakeholders that OPL is doing everything to maximize the value of the shareholders by safeguarding the interest of other stakeholders.

Appointment of compliance auditors

In compliance with the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, a listed company requires to appoint compliance auditors on the corporate governance code and collect the compliance report thereon, who shall be appointed by the shareholders in the AGM. However, ARTISAN, Chartered Accountants, has been appointed as the compliance auditors for the financial year under report and they have provided report as well as certificate regarding compliance of conditions of this code.



Certification and checklist on compliance on the corporate governance code have been published in Annexure B and C respectively

Considering the conditions imposed by the code and necessary expertise, the Board has recommended to appoint ARTISAN, Chartered Accountants, as the compliance auditors of the company for the next financial year to be ended June 30, 2023, subject to the approval of the shareholders in the ensuing AGM.

➤ Sustainability

Doing something extra to improve our society or environment is a way to show our true commitment to a cause. Our corporate social responsibility programs include providing scholarship to medical students and providing our oncology medicine 'Enliven' at subsidized price to underprivileged blood cancer patients in Bangladesh under the program named 'Enliven Patients Assistance Program (EPAP)'. Providing relief during Covid-19 pandemic, new clothes to orphan children, ifter to the underprivileged during the month of Ramadan are other initiatives for the betterment of the society we live in. We also perform responsibilities towards our employees by providing them opportunity to perform Holy Hajj and Umrah at company's expense, supporting the family of deceased employee under the donation on death benefit scheme and many other which have already been depicted in human capital chapter.

We are aware of the fact 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; and accordingly take steps towards our commitment to help society to achieve sustainable balance. All the information in this regards has been described in natural capital chapter.

➤ Environmental consideration

Orion Pharma Limited is committed to providing 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.

➤ Company outlook

Orion Pharma Limited is dedicatedly working towards completing the construction work of Orion Pharma Park at Narayonganj. Innovation in molecule and dosage form is going to be emphasized in every step at the new plant. The installed production capacity will be increased significantly with the implementation of this 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.

Our company is also determined to position itself better in the local market as well as the export-market. In order to grow and develop in the future and to provide our healthcare facility globally, the company has no alternative to expanding beyond borders and go international. New strategies have been formed to explore new markets and generate income from there.

➤ Acknowledgement

The Board of Directors appreciates the hard work, determination and guidance of the Board, Management team and all the staffs and employees of the company. 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:

- A. Certification by the MD and CFO to the Board.
- B. Certificate from ARTISAN, Chartered Accountants regarding compliance on the corporate governance code.
- C. Checklist on compliance of corporate governance code.
- D. The pattern of shareholding.
- E. Compliance report on IAS/IFRS.

Management discussion & analysis

Assalamu Alaikum

I am pleased to present the Management Discussion & Analysis of Orion Pharma Limited for the year ended June 30, 2022 on behalf of the Board of Directors. I will be covering the company's present performance, future outlook and guiding principles in this statement.

◆ Guiding principles

Dear shareholders, the preparation and presentation of the Financial Statements and the relevant disclosures therein have been made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Stock Exchanges as applicable and International Accounting Standards (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and International Financial Reporting Standards (IFRS) as applicable to the company.

◆ Economic scenario of the world

Let us start with a few words regarding the global economic conditions in which our business is operating. According to the OECD Interim Economic Outlook, the global economic recovery remains strong, helped by government and central bank support and by progress in vaccination. But although global GDP has now risen above its pre-pandemic level, the recovery remains uneven with countries emerging from the crisis facing different challenges. A rapid increase in demand as economies reopen has pushed up prices in key commodities such as oil and metals. Food prices are also rising boosting prices especially in emerging markets. Tensions along supply chains caused by the pandemic have added to cost pressures. At the same time, shipping costs have increased sharply.

As per the World Economic Situation and Prospects (WESP) report of United Nations, global merchandise trade has already surpassed pre-pandemic levels, buoyed by strong demand for electrical and electronic equipment, personal protective equipment, and other manufactured goods. Manufacturing-dependent economies have fared better, both during the crisis and the recovery period, but a quick rebound looks unlikely for tourism- and commodity-dependent economies, the report underscored.

◆ Economic scenario of the country

After the world scenario, we may take a look at the condition of our country. As per the economic outlook of Bangladesh conducted by Standard Chartered Bank, the country may become a US\$500 billion economy with the per-capita income rising to \$3,000 by 2025-26 fiscal year on the back of a steady growth. Higher domestic consumption and global growth rebound coupled with the vaccination drive in anti-corona battle is proving

to be key drivers. according to the International Monetary Fund (IMF), Bangladesh's per capita gross domestic product (GDP) will be \$2,138.794 in 2021 which is higher than the neighboring India.

The global health crisis caused by COVID-19 has hit Bangladesh's economy hard and decelerated economic growth in 2020. The pace of poverty reduction slowed down, exports declined, inequality increased across several dimensions and the poverty rate in 2020 increased to 18.1 percent from 14.4 percent. Nevertheless, strong remittance inflows and a rebound in export market has helped the economy to start recovering gradually. According to World Bank, to recover fully and achieve its growth ambitions of achieving upper-middle income status, Bangladesh needs to address the challenges of the pandemic by vaccinating the population which will reduce mortality and enable the full resumption of economic activities. Bangladesh also needs to address the challenge of creating employment opportunities through a competitive business environment, increased human capital and skilled labor force, efficient infrastructure, and a policy environment that attracts private investments.

◆ Pharmaceutical industry scenario

According to a report from a Dublin-based market insight and analysis firm, Research and Markets, the pharmaceutical market of Bangladesh is expected to surpass \$6 billion by 2025. The pharmaceutical industry in Bangladesh is moving forward with great potential as 98% of the country's total demand for medicine is being met by domestic institutions. In addition to meeting the domestic demand, the companies also export medicines to several countries of the world. Besides, Bangladesh ranks 71st out of 134 countries in the world in terms of global pharmaceutical exports. According to a market analysis by the Bangladesh Investment Development Authority (BIDA), the demand for healthcare services is growing at about 21 per cent annually thanks to the increasing purchasing power of the growing middle and upper-middle classes.

◆ Risk management framework

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to Credit risk, Liquidity risk, Market risk, Currency risk, Interest-rate risk etc. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Company performance

Dear shareholders, below is a comparative analysis of the financial performance and financial position of our company over the last 5 (five) years:

Particulars	Amount in BDT million				
	2021-22	2020-21	2019-20	2018-19	2017-18
Net Sales Revenue	9,661.61	10,832.57	7,647.70	8,705.17	10,423.10
Gross Profit	1,974.20	2,639.52	2,577.84	2,545.68	2,376.20
Net Profit after Tax	846.08	939.06	665.69	882.35	801.76
EBITDA	1791.42	2,381.15	2,459.68	2,347.49	2,343.97
Gross Profit Ratio (%)	20.43	24.37	33.71	29.24	22.80
Current Ratio (times)	1.99	2.70	3.99	3.00	2.23
Debt Equity Ratio (times)	1.39	1.18	0.98	0.71	0.70
Return on Equity (%)	4.07	4.68	3.47	4.71	4.42

Peer industry analysis

Now let us take a look at the peer industry scenario and have a comparison with them in regards to our performance. We have selected four of the listed companies for comparison and have used ratio analysis as it is one of the best tools for assessing and comparing the financial performance of a company.

Year	2020-21				2019-20			
	OPL	Square	Beximco	Renata	OPL	Square	Beximco	Renata
Financial ratios								
Current Ratio (times)	2.70	17.67	1.47	2.29	3.99	14.53	1.15	2.53
Return on Equity (%)	4.68	19.38	13.98	19.78	3.47	17.43	10.81	19.17
Net Asset Value per Share (BDT)	79.76	92.75	83.01	261.16	76.77	82.74	80.12	243.14
Net Operating Cash flow per Share (BDT)	11.04	12.32	34.76	43.4	8.04	12.9	13.67	51.91
Earnings per Share (BDT)	4.01	17.99	25.51	46.62	2.84	15.82	8.67	46.62

Future plan

Dear Stakeholders, for the last few years we were focused upon starting operation in our world-class Pharma Park in Siddhirganj, Narayanganj and will soon start the production of medicines over there. Due to many unavoidable reasons and circumstances, we have slightly delayed into starting production at our new pharma plant from what was our initial plan. However, I request all of you to have faith upon us and ensure you this Pharma Park will bring us more prosperity due to its outstanding design and technology.

Your company has formed innovative strategies to explore new markets and is determined to position itself better in the export-market. We are continuously learning about new markets and focusing on how to grab them, for which we accordingly develop our new products.

Thank you

Sd/-

Zareen Karim
Managing Director

Certification by the MD & CFO to the Board

Orion Pharma Limited
Declaration by MD and CFO

Date: November 13, 2022

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

Subject: Declaration on Financial Statements for the year ended June 30, 2022

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Orion Pharma Limited for the year ended June 30, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended June 30, 2022 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Zareen Karim
Managing Director

Sd/-
Monowara Khatoun
Chief Financial Officer



**REPORT TO THE SHAREHOLDERS
OF
ORION PHARMA LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code of **ORION PHARMA LIMITED** for the year ended on 30th June, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018 of Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the Company is satisfactory.

Place: Dhaka
Dated: 23rd November, 2022

**Md. Selim Reza FCA FCS
Partner**

ARTISAN-Chartered Accountants



Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.



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src.ca2012@yahoo.com

Checklist on compliance of Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.	Board of Directors (BOD) :			
1.1	Board's Size :			
	[The total number of members of a Company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)].	✓		The Board of Orion Pharma Limited is comprised of 7 (seven) Directors.
1.2	Independent Directors :			
1.2(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors;	✓		The Board of Orion Pharma Limited is comprised of 7 (seven) Directors including 2 (two) Independent Directors.
1.2(b)	Independent Director means a Director :			The Independent Directors have declared their compliances.
1.2(b) (i)	Who either does not hold any share in the Company or holds not less than one percent (1%) shares of the total paid-up shares of the Company;	✓		
1.2(b) (ii)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the Company;	✓		
1.2(b) (iii)	Who has not been executive of the Company in immediately preceding 2 (two) financial years;	✓		
1.2(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies;	✓		
1.2(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder director or officer of any stock exchange;	✓		
1.2(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1.2(b) (vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.2(b) (viii)	Who shall not independent director in more than 5 (Five) listed companies;	✓		
1.2(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or Non-Bank Financial Institution (NBFIL);	✓		
1.2(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2 (c)	Independent Director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1.2 (d)	The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		There was no vacancy in the position of Independent Directors during the reporting period.
1.2 (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years].	✓		
1.3	Qualification of Independent Director (ID) :			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws regulatory requirements and corporate laws and can make meaningful contribution to business.	✓		The qualification and background of Independent Directors justify their ability as such.
1.3(b)	Independent director shall have following qualifications :			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association;	N/A		N/A
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Chief Financial Officer or Head of Finance Or Accounts or Company Secretary or Head of internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of TK 100.00 million or of a listed Company;	✓		Independent Directors are Corporate Leaders with more than 30 years of experience.
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, Who has at least educational background of bachelor degree in economics or commerce or business or Law;	N/A		N/A
1.3(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law;	N/A		N/A

Our governance
Directors' report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		N/A
1.3(c)	The independent director shall have at least 10 (ten) years of experience in any filed mentioned in clause (b);	✓		Independent Directors are Corporate Leaders with more than 30 years of experience.
1.3(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission.			No such situation has occurred during the reporting year.
1.4	Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer :			
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		Chairperson of the Board and Managing Director are different individuals.
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1.4(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company;	✓		
1.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and /or Chief Executive Officer;	✓		
1.4(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Boards meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1.5	The Directors' Report to Shareholders :			
1.5(i)	Industry outlook & possible future development 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 including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Do
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit and Net Profit Margin and Net profit Margin, Where applicable;	✓		Do
1.5(v)	Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss);	✓		Do
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		Do
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	N/A		N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5(viii)	An explanation if the financial results deteriorate after the Company goes for IPO, RPO, Rights offer, Direct listing etc;	N/A		N/A
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		The Directors' Report complies with the guidelines.
1.5(x)	A statement of Remuneration paid to directors including independent directors;	✓		Do
1.5(xi)	A statement that The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		Do
1.5(xii)	Proper books of accounts have been maintained;	✓		Do
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		Do
1.5(xiv)	IAS/IFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure;	✓		Do
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Do
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		Do
1.5(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	✓		Do
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		Do
1.5(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Do
1.5(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;	N/A		10% cash dividend has been recommended by the BOD.
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A		N/A
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		5 (five) meetings were held during the year.
1.5(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares) :			
1.5(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (Name wise details);	✓		Annexure-D
1.5(xxiii)(b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and their spouses and minor children (Name wise details);	✓		Do
1.5(xxiii)(c)	Executives;	✓		Do
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (Name wise details).	✓		Mr. Mohammad Obaidul Karim, Chairman of the company holds 15.18% voting interest as on June 30, 2022.

Our governance
Directors' report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5 (xxiv)	In case of appointment/re-appointment of a Director, disclose :			
1.5(xxiv)(a)	A brief resume of the Director;	✓		
1.5(xxiv)(b)	Nature of his /her expertise in specific functional areas;	✓		
1.5(xxiv)(c)	Name of companies in which the person also holds the directorship and the membership of committees of that Board.	✓		
1.5(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on :			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company;	✓		
1.5(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1.6	Meetings of the Board of Directors :			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer :			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The Code of Conduct of NRC has been published in the website of the company.
2. Governance of Board of Directors of Subsidiary Company :				
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	✓		Orion Power Meghnaghat Limited & Dutch Bangla Power & Associates Limited are the 2 (two) subsidiary companies of OPL.
2(b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company;	✓		In Practice
2(c)	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
2(d)	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
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	✓		In Practice
3. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):				
3.1 Appointment :				
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		In Practice
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		In Practice
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	✓		In Practice
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		In Practice
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		In Practice

Our governance
Directors' report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
3.2	Requirement to attend Board of Directors' Meetings :			
	The MD or CEO, CS, CFO, and HIAC of the company shall attend the meetings of the Board. Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		In Practice
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) :			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3.3(a)(ii)	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.	✓		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee :			
4 (i)	Audit Committee;	✓		In Practice
4 (ii)	Nomination and Remuneration Committee.	✓		In Practice
5.	Audit Committee :			
5.1	Responsibility to the Board of Directors :			
5.1(a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors;	✓		In Practice
5.1(b)	The Audit Committee shall assist the BOD 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
5.1(c)	The Audit Committee shall responsible to the BOD. The duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice
5.2	Constitution of the Audit Committee :	✓		
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee is composed with 3 (three) members where 1 (one) is Non-Executive Director and 2 (two) are Independent Directors. Moreover, one of the ID is the Chairman of the Audit Committee.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.2(b)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		The members of the Audit Committee are appointed by the Board where 1 (one) is Non-Executive Director and 2 (two) are Independent Directors.
5.2(c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		No such situation occurred during the reporting financial year.
5.2(e)	The Company Secretary shall act as the Secretary of the Audit Committee;	✓		In Practice
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In Practice
5.3	Chairperson of the Audit Committee :			
5.3(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		Mr. Md. Shafiqur Rahman, Independent Director is the Chairman of the Audit Committee.
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		No such situation occurred during the reporting financial year.
5.3(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		In Practice
5.4	Meeting of the Audit Committee :			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	✓		In Practice
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		In Practice
5.5	Role of Audit Committee :			
5.5(a)	Oversee the financial reporting process;	✓		In Practice
5.5(b)	Monitor choice of accounting policies and principles;	✓		In Practice
5.5(c)	Monitor Internal Control Risk management process;	✓		In Practice
5.5(d)	Oversee hiring and performance of external auditors;	✓		In Practice
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		In Practice

Our governance
Directors' report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		In Practice
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		In Practice
5.5(h)	Review the adequacy of internal audit function;	✓		In Practice
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		In Practice
5.5(j)	Review statement of all related party transactions submitted by the management;	✓		In Practice
5.5(k)	Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors;	✓		In Practice
5.5(L)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		In Practice
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	N/A		N/A
5.6	Reporting of the Audit Committee :			
5.6(a)	Reporting to the Board of Directors :			
5.6(a)(i)	The Audit Committee shall report on its activities to the Board;	✓		The report of the committee has been submitted to the Board of Directors.
5.6(a)(i)	The Audit Committee shall immediately report to the Board on the following findings, if any:	✓		In Practice
5.6(a)(ii)(a)	Report on conflicts of interests;	✓		No such event occurred during the reporting year.
5.6(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		Do
5.6(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		Do
5.6(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	✓		In Practice
5.6.(b)	Reporting to the Authorities :	✓		No such event occurred during the reporting year.
5.7	Reporting to the Shareholders and General Investors :	✓		In Practice
6.	Nomination and Remuneration Committee (NRC) :			
6.1	Responsibility to the Board of Directors :			
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		In Practice

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		In Practice
6.1(b)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		In Practice
6.2	Constitution of the NRC :			
6.2(a)	The Committee shall comprise of at least three members including an independent director;	✓		The NRC is composed with 3 (three) members including 1 (one) Independent Director
6.2(b)	All members of the Committee shall be non-executive directors;	✓		All members of the NRC are Non-Executive Directors.
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		The members of the NRC are appointed by the Board.
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		In Practice
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	N/A		No such situation occurred during the reporting financial year.
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		In Practice
6.2(g)	The Company Secretary shall act as the secretary of the Committee;	✓		In Practice
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		No such situation occurred during the reporting financial year.
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	✓		Do
6.3	Chairperson of the NRC :			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		Mr. Md. Shafiqur Rahman, Independent Director is the Chairman of the Committee.
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		In Practice

Our governance
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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	✓		The Chairperson of the NRC shall attend the upcoming Annual General Meeting (AGM).
6.4	Meeting of the NRC :			
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	✓		In Practice
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		No such situation occurred during the reporting financial year.
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		In Practice
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		In Practice
6.5	Role of the NRC :			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		In Practice
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board :	✓		In Practice
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following :	✓		In Practice
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;	✓		In Practice
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		In Practice
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;	✓		In Practice
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		In Practice
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		In Practice
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		In Practice
6.5(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		In Practice
6.5(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	✓		In Practice
6.5(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		In Practice

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
7. External/Statutory Auditors :				
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely :	✓		
7.1(i)	Appraisal or valuation services or fairness opinions;	✓		
7.1(ii)	Financial information systems design and implementation;	✓		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7.1(iv)	Broker-dealer services;	✓		
7.1(v)	Actuarial services;	✓		
7.1(vi)	Internal audit services or special audit services;	✓		
7.1(vii)	Any service that the Audit Committee determines;	✓		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7.1(ix)	Any other service that creates conflict of interest;	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8. Maintaining a website by the Company :				
8.1	The Company shall have an official website linked with the website of the stock exchange;	✓		www.orionpharmabd.com linked with DSE and CSE.
8.2	The Company shall keep the website functional from the date of listing;	✓		In Practice
8.3	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		In Practice
9. Reporting and Compliance of Corporate Governance :				
9.1	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report;	✓		Certificate has been obtained from ARTISAN-Chartered Accountants for the financial year ended on June 30, 2022 which is published in Annual Report.
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting;	✓		In Practice
9.3	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		In Practice

The pattern of shareholding

as on June 30, 2022

Categories	Name	Status	No. of shares held	% of holding
(a) Parent or Subsidiary or Associated Companies and other related parties	Nil			
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children	Mr. Mohammad Obaidul Karim	Chairman	35,514,000	15.18
	Mrs. Zareen Karim	Managing Director	6,413,040	2.74
	Mrs. Arzuda Karim	Director	8,805,600	3.76
	Mr. Salman Obaidul Karim	Director	9,708,960	4.15
	Mrs. Hasina Begum (Nominated by Panbo Bangla Mushroom Ltd.)	Nominated Director	14,400,000	6.15
	Mr. A. N. M. Abul Kashem	Independent Director	Nil	Nil
	Mr. Md. Shafiqur Rahman	Independent Director	Nil	Nil
	Mrs. Zareen Karim	Managing Director	6,413,040	2.74
	Mr. Md. Ferdous Jaman	Company Secretary	Nil	Nil
	Ms. Monowara Khatoon	Chief Financial officer	Nil	Nil
Mr. Md. Shahidul Islam	Head of Internal Audit and Compliance	Nil	Nil	
(c) Executives	Mr. Md. Abu Sayed Khondoker	VP, Plant	Nil	Nil
	Mr. Md. Zakir Hossain	VP, Production	Nil	Nil
	Mrs. Ayesha Akhter	VP, Commercial & PPIC	Nil	Nil
	Mr. Md. Fakhruul Islam	Manager - Distribution	Nil	Nil
	Mr. Md. Forhad Hossain	Manager - Administration	Nil	Nil
(d) Shareholders holding ten percent (10%) or more voting interest in the company	Mr. Mohammad Obaidul Karim	Chairman	35,514,000	15.18

Shareholding composition

as on June 30, 2022

31.98% Sponsors	1.16% Foreign Investors	28.65% Financial Institutions	38.21% General Public
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Types of shareholders	No. of shareholders	No. of shares held	% of shareholding
Sponsors	5	74,841,600	31.98
Foreign Investors	728	2,705,434	1.16
Financial Institutions	493	67,045,771	28.65
General Public	32,367	89,407,195	38.21
Total	33,593	234,000,000	100.00

Range of holding in number of Shares	No. of shareholders	No. of shares held	% of shareholding
Upto 500 Shares	24,238	3,198,336	1.37
501 to 5,000 Shares	6,859	12,847,876	5.49
5,001 to 10,000 Shares	1,160	8,665,054	3.70
10,001 to 20,000 Shares	635	9,241,022	3.95
20,001 to above	701	200,047,712	85.49
Total	33,593	234,000,000	100.00

Compliance report on IAS/IFRS

IAS No.	IAS Title	Remarks
01	Presentation of Financial Statements	Applied
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
12	Income Taxes	Applied
16	Property, Plant and Equipment	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	Applied
24	Related Party Disclosures	Applied
26	Accounting and Reporting by Retirement Benefit Plans	N/A
27	Separate Financial Statements	Applied
28	Investment in Associates and Joint Ventures	Applied
29	Financial Reporting in Hyperinflationary Economics	N/A
32	Financial Instruments: Presentation	Applied
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
39	Financial Instruments: Recognition and Measurement	Applied
40	Investment Property	N/A
41	Agriculture	N/A

IFRS No.	IFRS 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
08	Operating Segments	Applied
09	Financial Instruments	Applied
10	Consolidated Financial Statements	Applied
11	Joint Arrangements	N/A
12	Disclosure of Interests in Other Entities	Applied
13	Fair Value Measurement	Applied
14	Regulatory Deferral Accounts	N/A
15	Revenue from Contracts with Customers	Applied
16	Lease	Applied
17	Insurance Contracts	N/A

Dividend Distribution Policy

1

Introduction

In compliance with the Directive No. BSEC/CMRRCD/2021-386/03 of Bangladesh Securities and Exchange Commission (BSEC) dated January 14, 2021; Orion Pharma Limited formulated the "DIVIDEND DISTRIBUTION POLICY". The Board of Directors (The Board) will consider the above-mentioned directive while declaring or recommending dividend on behalf of the Company.

2

Concept of Dividend

Dividend refers to the portion of net income paid out to shareholders. It is paid in cash and/or stock for making an investment and bearing risk. Dividend decision of the firm is yet another crucial area of financial management as it affects shareholders wealth and value of the firm. It is a financial decision that refers to the proportion of the firm's earnings to be paid out to the shareholders.

3

Purpose

The purpose of this Dividend Distribution Policy is to ensure the right balance between the quantum of dividend paid and the profits retained in the business for various purposes. This policy will also ensure that the distribution of dividend is implemented pursuant to the allocable legislation in the interests of the shareholders and the Company and will also address the Management of the unclaimed dividends.

4

Dividend Declaration Policy

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

The Board shall recommend or declare the amount of dividend on each share based on financial parameters set out below:

4.1 Internal Factors

- Net operating profit after tax;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and / or new businesses;

- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends.

4.2 External Factors

- Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

4.3 The shareholders of the Company may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
- Significantly higher working capital requirements adversely impacting free cash flow;
- Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
- Whenever it proposes to utilize surplus cash for buy-back of securities;
- In the event of inadequacy of profits or whenever the Company has incurred losses;
- Any rules, Directive or guidance issued by BSEC on declaration or distribution of dividend.

The Board may consider not declaring Dividend or may recommend a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment. The Board will provide rationale in the Annual Report in the event of not declaring Dividend.

5

Utilization of Retained Earnings

Subject to the provisions of the act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares;
- Declaration of dividend-Interim or Final;
- Augmenting internal resources;
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt;
- Any other permitted use as may be decided by the Board.

6

Process of distribution of Dividend

a) Recommendation and Approval of dividend: The Chief Financial Officer (CFO) in consultation with the MD & CEO, and the Company Secretary of the Company shall propose any amount to be declared/ recommended as Dividend to the Board of Directors of the Company for their recommendation.

b) Entitlement of Dividend: Shareholders whose names shall be appeared in the Members Register of the Company or in the Depository Register of CDBL on the 'Record Date' of the respective year of AGM will receive entitled dividend.

c) Distribution of dividend: Cash dividend shall be paid directly to the Bank account through BFTN and Stock dividend shall be credited to the respective BO account of the shareholders within 30 days from the date of approval by the shareholders at the AGM subject to compliance with circulation/directives of BSEC.

7

Unpaid or Unclaimed Dividend

Unpaid or unclaimed of unsettled cash & Stock dividend shall be settled as per instruction of BSEC.

8

Tax Matters

Tax will be deducted at source as per applicable tax laws.

9

Disclosure

In case it is proposed not to declare dividend during any financial year, the grounds thereof and the information on the manner in which the retained profits of the Company, if any, are being utilized shall be disclosed to the Shareholders in the Board's Report forming part of the Annual Report of the Company for the given financial year. The Policy will be available on the Company's website: <https://www.orionpharmabd.com>

10

Policy Review

The Policy may be modified as may, in the opinion of the Board, be deemed necessary.

Financial capital

Financial capital represents the funds being used to facilitate the process of building and strengthening our ability to develop and create value for our stakeholders. We aim on enhancing value of our stakeholders and ensure long term sustainable growth by astute management of financial capital.

Sources of financial capital

The main sources of financial capital are:

- equity;
- debt financing;
- earned surplus etc. which are raised through the financing, operating and investing activities; and
- internal control.

Approaches to maintenance of financial capital

The company plans the effective utilization and deployment of available financial capital and tries to maintain strict financial discipline and controls to mitigate exchange rate, interest rate, credit risks etc. However, the company is constantly focusing on its actions to sustain growth, develop operations and ensure the highest return for the shareholders and strengthen the financial position. The followings are some of the approaches to maintaining our financial capital:

- 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.
- Other than internal fund raising option i.e. retained earnings, we also focus on availing long as well as short term loan

facilities as we are expanding our business operation by increasing our product lines. We analyze various factors for the selection of fund providers particularly for loan facility, including project financing and working capital loan.

- Funds generated are being used for the maintenance of regular business operation, repayment of loan along with interest expenses, investing activities and dividend payment.
- Orion Pharma Limited also addresses the following key factors to boost up the company's financial health:
 - Analysis of product wise performance;
 - Adoption of product specific strategies;
 - Timely introduction of potential medicines in the market as well as exit from loss making or slow moving product lines;
 - Close monitoring of cost element as well as identification of opportunity to minimize cost; and
 - Increasing operational efficiency through benchmarking against best-in-industry practices.



The overall financial performance for the reporting financial year 2021-22 is available in section "Performance and financials".

Manufactured capital

Investment in manufactured capital is vital in order to produce high quality medicines that would contribute to sustainable competitive advantage. Significant investment in our finished products, manufacturing facilities, operations, technologies, capacities and distribution is an ongoing phenomenon that aims to safeguard our ability to deliver the values, satisfy the customer needs and achieve the strategic intent of the business.

Sources of manufactured capital

The main sources of manufactured capital are:

- Good Manufacturing Practices (GMP);
- ISO 9001:2015;
- Plant architecture and infrastructure;
- Manufacturing facilities and process;
- Production capacity;
- Technology and equipment;
- Environment, health and safety provision; and
- Distribution network etc.



► Orion Pharma Park- our new pharmaceutical manufacturing plant

Our new plant "Orion Pharma Park" uses the latest technology in compliance with the 'Current Good Manufacturing Practices' standards of international regulatory authorities like USFDA, UK MHRA, EU, TGA (Australia) WHO etc. The plant has a complete array of pharmaceutical facilities and solutions in one complex with automatic process control and supervision systems in order to produce quality medicine. The high capacity, sophisticated, GAMP 5, EU GMP, Annex 15, 21CFR part 11 FDA regulated compliant production machinery of the plant will help to achieve the targeted growth by enhancing the production capacity.

The total area of GPB-1 is about 44,000 square feet. The site houses other supplementary infrastructures including utility and admin building, ETP building, warehouse, gate house etc. Other production buildings of the Pharma Park - General

Pharma Unit-2 (GPB-2) and General Pharma Unit-3 (Cephalosporin) are currently under construction. Moreover, Supplement and Oncology are currently under development stage.

The plant's utility infrastructure has been designed including water purifier facility, steam, boiler, compressor, generator etc. to ensure adequate supply of water, electricity and gas. Besides, we have a central ETP from Effwa. The production site follows the best practices for fire, water and air management systems and employee health and safety issues. In totality, the new Pharma Park does not only result in increased production capacity, but also has resulted compliance with more regulatory requirements, safeguarding the environment, safety and health protection of employees in the workplace and environment.

Orion Pharma Park at a glance

Location	Sumilpara Siddhirganj Narayanganj -1431 Bangladesh	Production lines	<ul style="list-style-type: none"> • Oral Solid: Tablet (Uncoated, coated, effervescent, bi-layered), Powder for suspension, Sachet, Soft gel capsule, Hard gel capsule • Oral Liquid: Syrup, Suspension, Drop • Semisolid: Cream, Ointment, Gel, Suppository • Injection: Ampoule, Vial (liquid, powder, lyophilized), Prefilled Syringe • Ophthalmic- Eye Drop (steroid and non-steroid), Eye ointment
Area	20.85 acre		
Production facilities	<ul style="list-style-type: none"> • General formulation • Cephalosporin • Supplement • Oncology • Ophthalmic 		

Our capitals

Manufactured capital

► Distribution network

Our distribution network connects patients with healthcare products across urban and rural area. We distribute our products all over the country using our own distribution channel. We have a large number of vehicles and sales depots to ensure coverage of the whole country. In accordance with the market requirements, the stocks are distributed countrywide by company-owned distribution network.



50
Customized vehicles

804
Distribution personnel

Manufacturing process



Input

- API, excipients and packing materials are received and inspected as per Standard Operating Procedure (SOP) and kept in 'quarantine area';
- Sample analysis is done by the Quality Control (QC) whereby QC performs identification, potency determination and necessary tests of materials;
- Following QC approval, pass labels are fixed on containers and materials are shifted from Quarantine to specific approved area for preservation;
- Retest schedule is given after certain interval for quality evaluation by QC;
- Material requisition is placed by Production Department along with batch manufacturing procedure of the product;
- Materials are collected as per bill of material and sent to Production for dispensing;
- Purity, temperature, humidity and other conditions of the materials are checked by Production and Quality Assurance (QA); and
- Materials are weighted and dispensed to Production as per requisition.



Process

- OPL has 6 (six) dosage forms - tablet, capsule, dry syrup, oral liquid, cream and ointment and injection. Manufacturing procedure of each dosage form is different and has a SOP;
- Rooms and machines are fully cleaned and prepared for production;
- Medicinal product is processed according to validated SOP. The production operator and officer follow the written SOP and keep record of all their activities;
- The in-process quality is checked by the QA at every step of the manufacturing and quality is ensured in every step;
- After completion of every sub process, sample analysis is performed by the QA and sent to QC for evaluation;
- Upon approval by QC, QA fixes the pass label on the container and gives approval for next steps; and
- The prerequisite environment and regulatory condition of the products are maintained and ensured by the QA and Production at every level.



Output

- After packaging of products, all documents are reviewed by the QA Head and approved for distribution and sales;
- Representative samples from every batch are kept by the QA up to the shelf-life of the product for monitoring;
- 'Real time stability study' up to the shelf life is performed by the QA for further development; and
- When launching new products, product development and 'accelerated and real time stability study' is performed by the R&D.

Our capitals

Manufactured capital

➤ Ensuring quality

Our journey for maintaining better quality begins from raw material selection process. Selecting DMF grade material from European or Asian best source and performing Vendor Audit accurately aid us to ensure best quality raw material sourcing. Proper study, engagement and dedication of qualified personnel result in unique formulations that make the product incomparable regarding quality. This year we have taken the following measures to further ensure quality of our medicines:

➤ Particle Size Analyzer of APIs

OPL's Quality Control Department has procured a sophisticated equipment - particle size analyzer, which measures particle size of Active Pharmaceutical Ingredients (APIs). It enhances the product quality through measurement of particle size of API and delivers the consistently accurate, robust, reliable data that informs critical decision-making throughout R&D and manufacturing processes. Such knowledge-driven decisions are fundamental to ensuring the quality and performance of a diverse range of raw materials, intermediates and final products.

➤ Impurity Profile Checking of APIs

This year OPL has also already started the Impurity Profile Checking of APIs which will ensure the API quality precisely by

acquiring the data that establishes biological safety and efficacy. APIs present in the formulations contain some undesired impurity and impurity profiling describes the account or description of maximum possible types of identified or unidentified impurities present in any APIs. These impurities can be API related impurities, process related impurities or stability related impurities. Presence of these unwanted impurities may influence bioavailability, safety and efficacy of APIs. This new initiative of the company is in compliance with various regulatory authorities such as ICH, USFDA etc. that have specified various limits for impurities in APIs.

➤ Audit Trail

Another initiative undertaken by OPL is the implementation of Audit Trail in compliance with WHO, USFDA, PICS etc. Audit Trail helps to improve the product quality by creating the ability to follow records back to data origin that provides numerous benefits including transparency and a defense of records for compliance, record integrity and accuracy, system protection from misuse or harm, and security of sensitive or vital information.

Other than these we undertake the following processes to ensure quality of our medicines:

Analytical method validation	Analytical method validation ensures the ability of testing method to identify & quantify the active ingredients accurately.	KPI: Our all analytical method for testing raw material and finished products are VALIDATED.
Cleaning validation	It assures that a cleaning process removes all residues of the active pharmaceutical ingredients from every contact parts of equipment used for manufacturing of the product.	KPI: Our all cleaning methods for equipment are VALIDATED. Therefore, there is no risk of cross contamination during product manufacturing.
Dissolution profile comparison	This test is performed in order to compare the dissolution profile of the product with innovator product.	KPI: During product development we compare our developed product with Patent / Brand product.
DMF preparation	DMF preparation is a part of Good Documentation Practice & regulatory requirement from DGDA. It contains confidential detailed information about facilities, processes, or materials used in the manufacturing, processing, packaging and storing.	KPI: We prepare DMF for all products.
Annual product review	The purpose of this review is to verify the consistency of the manufacturing process, assess trends, determine the needs for changes in specifications, production, manufacturing and/or control procedures and evaluate the needs for revalidation.	KPI: We prepare annual product review for all products.
Coating conversion from organic to aqueous	Aqueous coating assures avoidance of related health hazard problem as well as cost reduction.	KPI: We have identified 10 (ten) products subject for conversion from organic to aqueous.

Fire, water & air management system

Fire management system

OPL uses intelligent addressable fire detection system. Fire drills are done once in every six months and training is provided to the personnel who are the member of the fire team. Our actions in this context are:

- All the areas including production, QA, QC, R&D, warehouse, and utility areas are covered by smoke detectors and modern fire alarm system;
- The whole facility is equipped with adequate number of fire extinguishers and fire hoses with fire hydrant. We also have proper evacuation system, assembly point with dedicated rescue and first aid team;
- In addition to the use of smoke detectors, manual Pull Station has been installed in each zone along with annunciation. It is 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; and
- High pressure fire pumps along with standby pump and jokey pumps are installed to fight against fire.

Water management system

OPL is committed and constantly working on improving the water management of the company and plant as conserving water will contribute to more sustainable water availability. Our actions in this context are:

- Our plant is fully validated from Europe; and
- We have the most modern pre-treatment & softened water plant.

Air management system

OPL has the right air management technology installed in all buildings as pharmaceutical manufacturing facilities require high quality of air because the products are ingested or placed in humans and animals. Our actions in this context are:

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

Environment, health & safety consideration

Environment consideration

OPL gives utmost importance to environmental protection and strictly avoid the activities which may have any adverse impact on the environment. We believe that environmental protection should be implemented due to climate changes and natural calamities which affect our country every year. We have therefore designed the production process in the most resource and energy-efficient way as possible. Our actions in this context are:

- We established an Effluent Treatment Plant (ETP) of Capacity 375,000 Liters/day to treat the effluent from the plant; and
- OPL has introduced an Incinerator whose incineration capacity is 100 kg/hr. An incinerator is generally defined as any furnace used in the process of burning solid waste for the purpose of reducing the volume of the waste by removing combustible materials.



Details on steps undertaken by OPL for environmental protection is disclosed on pages 146-149

Health & safety consideration

- The plant has been designed following the modern concept of safety guidelines. Safety and security department coordinates and trains up manpower for precautions and measurements of hazardous condition. A Standard Operating Procedure (SOP) on safety guidelines is followed by each and every person in the plant. We make regular safety assessments and ensure compliance with all existing laws in the field of environmental protection, hygiene and safety at work. We also have adequate risk control measures which are maintained throughout our company. A special care and training is planned for the safe handling of Hazardous chemical.



Details on steps undertaken by OPL for employee safety is disclosed on pages 132-139

Intellectual capital

Focus on intellectual capital to derive at better outcomes for our customers by investing in the knowledge, skills, experiences, expertise and competencies nurtured by the human resources of the company is our topmost priority. We continually work to develop a wide range basket of high quality, safe and effective generic pharmaceutical medicines of different therapeutic classes that address the medical needs of the society.

► Sources of intellectual capital

The main sources of intellectual capital are:

- Intellectual property rights including –
 - License from DGDA to operate pharmaceutical products' manufacturing facilities
 - trademarks and registered marks;
- In house software development;
- Research strategy and implementation;
- Product development;
- Portfolio of products; and
- International market specific sales, distribution and marketing strategies.

► Our product portfolio

Our product portfolio is selected and tailored considering the requirements of the target markets in which we operate. We also perform continuous assessment of existing product portfolio to analyze product wise performance in the market it serves. Our portfolios are:



Portfolio	Description	Our strength
Antibiotic	Antibiotics fight against infections caused by bacteria and are prescribed to recover from critical infections/life threatening conditions of patients. Antibiotic portfolio is one of the major portfolios of OPL, having diversified products from different therapeutic groups like Cephalosporins, Macrolides, Fluoroquinolones and Carbapenems with all necessary dosage forms to cover patients of all age group.	We are enriched in Oral Cephalosporins with brands like Truso, Co-axet, Axet, Cefditor, Torped, Sefin, Xclor, Pedicef etc. Our strong footprints in institutions and hospitals are covered by Cephalosporin and Carbapenem Injectables like Vertex, Magnova, Zidim, Meromax. We have strength in Macrolides, Tetracycline and Flouroquinolones as well with Azalid, Xindal, Oriodox, Maximox, Maprocin, Orlev and Xemi. Our antibiotics always maintain all the cGMP guidelines with world class raw materials from different renowned sources and are committed to bringing the excellence to serve the people with highest quality products.
Antiviral	Antiviral drugs are a class of medication used for treating viral infections. For most viral infections, treatments can only help with symptoms while we wait for our immune system to fight off the virus. Antibiotics do not work for viral infections. So only the viral drugs can help us to fight against viral infections like Dengue fever, Covid-19, SARS, Zika, HIV, Hepatitis, Polio, Ebola, Influenza, etc.	We have high quality antiviral products like Fravir which is a tablet preparation of Favipiravir. In 2014, Favipiravir was approved in Japan to treat cases of influenza that were unresponsive to conventional treatment. Given its efficacy at targeting several strains of influenza, it has been investigated in other countries to treat novel viruses including Ebola and most recently, Covid-19.
Antiprotozoal	Protozoan infections are responsible for diseases that affect many different types of organisms, including plants, animals, and some marine life. Many of the most prevalent and deadly human diseases are caused by a protozoan infection, including African sleeping sickness, amoebic dysentery, and malaria. Diarrheal disease continues to be a major cause of childhood mortality and morbidity in developing countries. Regions of Southeast Asia, including Bangladesh, experienced the highest mortality rate among children with diarrhea. Antiprotozoal agents are a class of pharmaceuticals used in treatment of protozoan infection.	We strongly believe that we can make a difference in the health sector of Bangladesh with our pharmaceutical products from the finest manufacturing facility of OPL. So we ensure quality brands to fight against protozoan infections in every corner of the country. Our antiprotozoal portfolio includes several brands like Zoana, Nidazyl, Oxiquin etc. are the symbol of trust and satisfactions.

Our capitals
Intellectual capital

Portfolio	Description	Our strength
Anti-ulcerant	This class of drugs is used to treat ulcers in the stomach and the upper part of the small intestine. There are several types of anti-ulcerant drugs like the proton pump inhibitors which work by blocking the secretion of gastric acid of parietal cells of stomach; H2 receptor blockers stop the action of histamine on the gastric parietal cells which ultimately inhibits the secretion of gastric acid; non systemic antacids provide local acid neutralizing effect and anti-foaming agents are used to reduce bloating, discomfort or pain caused by formation of excessive gas in stomach.	We are strongly focusing on this area having one of the unique brands in Eesomeprazole market- Exor, which is serving people of Bangladesh with immense pride of quality. OPL also manufacturers several other strong anti-ulcerant brands like Procap, Novelta, Marvelta, Pedicon etc.
Laxative	Constipation is a condition which occurs when the movements of bowel become less frequent and stools become difficult to pass. It happens most often due to changes in diet or routine, or due to inadequate intake of fiber. Laxatives or purgatives are substances that loosen stools and increase bowel movements. They are used to treat and prevent constipation.	We have a wide variety of laxative drugs to treat and prevent constipation, OPL offers brands like Milk of Magnesia, Ezylax etc. to the market with excellent laxative properties.
Antiemetic	Antiemetic drugs are effective against vomiting and nausea. Antiemetics are typically used to treat motion sickness and the side effects of opioid analgesics, general anesthetics, and chemotherapy directed against cancer.	We have a wide variety of antiemetic products available in different pharmaceutical dosage forms suitable for patients with all ages. Our most prominent brands in this portfolio include Onasia, Palostar, Cosy (Prokinetic), Anvert etc.
CVS	Cardiovascular disease occurs as a result of sedentary life style, unhealthy food habit, lack of physical activity or by heredity. Cardiovascular disease is considered as life threatening as it may lead to stroke, myocardial infarction and ischemia, if not appropriately treated.	We treat CVS through our cardiovascular portfolio which includes Frulac (Diuretics), Clognil, Clognil Plus (Anticoagulants), Losan, Olmesafe-20, Olmesafe-AM, Olmesafe-HT, Betacal, Bisoloc, CCB (Antihypertensive), Angimet, Angimet MR (Antianginal), Rovex, Lipex, Fenocap (Lipid Lowering Agents) etc.

Portfolio	Description	Our strength
Anti-fibrinolytic	Fibrinolysis is a process that prevents blood clots from growing and becoming problematic. Antifibrinolytics are medicines that promote blood clotting by preventing or slowing down a process called fibrinolysis, which is the breakdown of blood clots. Antifibrinolytic agents may be used to help prevent or treat serious bleeding in patients who have certain conditions, such as hemophilia, very heavy menstrual bleeding, or some types of vascular tumors.	We offer Oranex to treat haemorrhage or risk of haemorrhage in increased fibrinolysis or fibrinogenolysis that may occur in conditions like Prostatectomy and bladder surgery, Menorrhagia, Epistaxis, Conisation of the cervix, Management of dental extraction in patients with coagulopathies, Ulcerative colitis, Haematuria, Gastrointestinal haemorrhage.
Antidiabetic	Diabetes is a disease in which the blood glucose, or blood sugar, levels are too high. Diabetes can lead to several disabling and life-threatening complications, including stroke, heart attack, chronic kidney diseases, neuropathy, visual impairment and amputations. In recent years, the burden of diabetes has increased worldwide with disproportionately high morbidity and mortality in developing countries. Bangladesh is one of the countries with the highest number of people with diabetes worldwide.	We have different class of antidiabetic drugs trusted by the top diabetologists in the country. Our antidiabetic portfolio includes Linastar, Linastar M, Oclazid, Oclazid MR, Ormin, Stimulin etc.
Anticancer	Cancer is a group of disease complications which are commonly characterized by the uncontrolled growth and proliferation of cells, resulting in death. Cancer is a growing concern for the healthcare system in the world. It is the second leading cause of death globally and in Bangladesh, there are 13 to 15 lakh cancer patients in Bangladesh, with about two lakh patients newly diagnosed with cancer each year. So, with the growth of cancer patients in Bangladesh, the demand of oncology products is also growing rapidly.	We offer Enliven which is very effective against leukemia, myelodysplastic or myeloproliferative diseases, metastatic dermatofibrosarcoma, metastatic malignant gastrointestinal stromal tumors and many more. We are also planning expand our anticancer portfolio with a total of 52 products of different dosage forms which includes tablet, capsule, vial, pre-filled syringe and lyophilized powder.
CNS	Central Nervous System consists of the brain and spinal cord which is responsible for processing and controlling most of our body functions. Different types of medicines are used to treat dysfunction of CNS, including Anticonvulsants (used in the treatment of epileptic seizures), Anxiolytics (used to treat anxiety and panic disorder), antidepressants (treat depression e.g. SSRIs, SNRIs, atypical antidepressants, tricyclic antidepressants) etc.	We have presence in different segments of CNS related medicines carrying strong image among Neurologists and Psychiatrist having successful brands like Rivo, Timex, U4, Xil, Nervex, Nugesic, Bromazep etc. We are going to expand our presence in other areas of CNS like Antiparkinson etc. in near future.

Our capitals
Intellectual capital

Portfolio	Description	Our strength
Respiratory	Respiratory diseases are chronic problems and one of the major factors affecting health sector of Bangladesh. Antihistamines are drugs mainly used for treating allergies related to airways. Histamine attaches to specific receptors of body cells which results in symptoms such as runny nose, watery eyes, itching, redness, coughing and wheezing.	We have the flagship pioneer brand Deslor (Desloratadine) which is leading the market since its inception in Bangladesh from 2002. To reduce these symptoms there are other strong antihistamine brands include Rupenta, Nosedex, Riz, Broket, Cloramin, Orsal etc. We also offer Ambronil (Cough expectorants) and Deconil (Cough suppressant) to fight against cough (productive and non-productive) and common cold. We also have Axofyl to treat Asthma and COPD and Arovent to treat both Asthma and Allergic Rhinitis and we are supporting Respiratory Medicine Doctors with highest quality products for their patients.
Vitamin - Minerals and Hematinic	Vitamin-Minerals are considered as essential nutrients which perform hundreds of roles in the body. They help in the growth of the body, shore up bones, heal wounds and boosts immune system of the body. Also, they convert food into energy and repairs cellular damage. Major source of Vitamin-Minerals are fruits and vegetables. But in a country like Bangladesh, daily food habit of many people fails to maintain the daily requirement of Vitamin-Minerals for the body and is causing an ultimate need of Vitamin-Mineral supplemental medicines. Hematinics are nutrient required for the formation of blood cells in the process of hematopoiesis. The main Hematinics are Iron, B12 and folate. Deficiency in Hematinics can lead to anemia.	We have a basket full of different Vitamin-Minerals and Hematinic preparations like Calcium, Iron sucrose, Zinc, Iron, Folic acid etc. Our focus is mainly on nutritional deficiency during different age group and during pregnancy. This portfolio includes some of Orion's most well-known brands like Pep, Maxical, Ferrolin, Ferovent, ESP, EC-Plus, Orioplex, Gold Kid, Goldage, Silvage, Newage, Combivit etc.
Pain management	Pain is a distressed feeling often caused by intense or damaging stimuli and one of the most common reasons for consulting physician in Bangladesh. Pain is complex, can interfere with a person's quality of life and general functioning. This class of medicine is used for relief and maintenance of pain.	We support patients with a broad range of treatment options that are indicated for the relief and maintenance of different types of pain like for mild pain and headache. We have Fevac and Hedex, for moderate to severe postoperative pain management we have Ketorin and Novodol, for arthritic pain management we have Tendonil, Tenorix, Noak, Novoxen, Eroflam and Orfenac. For Muscle relaxants we have Baclon and Eprel and for Spasmodic pain relievers we have Onium and Alve etc.

Portfolio	Description	Our strength
Dermatological	Medicines used to treat skin conditions include topical and oral drugs for the treatment of a wide variety of diseases of the skin, hair and nails. This market is progressing with high potential and skin diseases account for a higher proportion of outpatient department in developing countries including Bangladesh. Infective skin diseases mostly bacterial and parasitic is predominant in Bangladesh though it is less frequent in developed countries.	We have image carrying products like Avison, Miki-H which are used to treat different types of skin infections effectively. There are other products like Xzema and Xenocort, used in managing critical skin diseases like Eczema and Psoriasis. With high potency and quality, these products are providing excellent results to patients and customers.
Antifungal	Antifungal medications or antimycotic medications are pharmaceutical fungicide or fungistatic used to treat and prevent mycosis such as athlete's foot, ringworm, candidiasis (thrush), serious systemic infections such as cryptococcal meningitis, and others. Over one billion people in Bangladesh are believed to suffer from a fungal infection annually. These increasing number of fungal infected patients contributing a distinguishable progression on antifungal drug market in Bangladesh.	We have a separate manufacturing area only focusing on the preparation of antiviral products to fulfil the market demands. We have wide range of both topical and oral products for the treatment of fungal infections. Our oral antifungal brands like Conaz, Terbiderm, etc. have always been the reliable options for doctors while treating patients with fungal infections.
Other	There are so many drugs we have outside of above-mentioned portfolios. Muscle relaxants are drugs that affect skeletal muscle function and decrease the muscle tone. They may be used to alleviate symptoms such as muscle spasms, pain, and hyperreflexia. Osteoporosis, which literally means porous bone, is a disease in which the density and quality of bone are reduced. Osteoporosis is a bone disease that occurs when the body loses too much bone, makes too little bone, or both. As a result, bones become weak and may break from a fall or, in serious cases, from sneezing or minor bumps. Around the world, 1 in 3 women and 1 in 5 men aged fifty years and over are at risk of an osteoporotic fracture. In fact, an osteoporotic fracture is estimated to occur every 3 seconds. The most common fractures associated with osteoporosis occur at the hip, spine and wrist.	We offer Tamlosin which is a brand of Tamsulosin HCL and is indicated for the treatment of the signs and symptoms of Benign Prostatic Hyperplasia (BPH). It is an antagonist of α 1A-adrenoreceptors in the prostate. It binds selectively and competitively to postsynaptic α 1A-adrenoreceptors, which convey smooth muscle contraction, thereby relaxing prostatic and urethral smooth muscle. Boncare is brand of Ibandronic Acid is used in the treatment and prevention of osteoporosis in men and women. It inhibits osteoclast activity and reduces bone resorption and turnover leading to a progressive gain in bone mass. We are also continuously adding new products to our portfolios and reaching the uncovered therapeutic areas. Also we are developing and introducing our existing brands to the latest available technologies to maintain highest product quality and ensuring the customer satisfactions by providing quality products and services.

Our capitals

Intellectual capital

Development of products

Research and Development (R&D) Department is one of the vital parts of a pharmaceutical plant. R&D is a key of innovation and is situated at the front end of the innovation life cycle. Research and development of products under different therapeutic areas are supported by the current portfolio, medical need, plant capabilities and product viabilities.

We have built up a sophisticated R&D center equipped with state-of-the-art equipment and facilities in the Orion Pharma Park at Siddhirganj, Narayanganj. In our R&D center, we also have a separate galenical and analytical laboratory. Our galenical laboratory is equipped with all the necessary machinery and equipment of GMP standard in small scale to develop products.

Our R&D team is fully dedicated to improving 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 and span the development of differentiated products, such as lyophilized injections, nasal sprays, oncology, hormone and ophthalmic products.

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

- Providing the best formulation ensuring with the maximum product stability;
- Delivering an improved formulation with greater patient acceptability;
- Minimizing the product cost ;
- Designing eco-friendly formulation;
- Maximizing the productivity; and
- Facilitating the manufacturing process.

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 experiences. 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.

Developed and registered products in the pipeline are the intellectual property of the company. The company continues to invest in its pipeline of generic products. Given the prospective future of medicinal needs and emerging diseases profiles, our product pipeline mainly represents the opportunities related to product line extension and new brand launching within and across targeted markets. The pipeline is continuously being monitored and analyzed for technical feasibility, to ensure only commercially feasible products are included and to make it aligned with the company's strategic objectives with a stronger focus on some products that offer significant return in value.

1st time manufactured in Bangladesh

8 (eight) brands under their generics are the first-to-market products of OPL which are first time manufactured in Bangladesh.

Pep Alve Frulac Tendonil Deslor Cefditor EC Plus Novelta

1st time manufactured by a local company in Bangladesh

2 (two) brands under their generics are the first-to-market products of OPL which are first time manufactured by a local company in Bangladesh.

Nervex Onium

Products under pipeline

Currently, the company's pipeline contains over 50 (fifty) products in various stages of development. More than 30 (thirty) products have already been developed.

Patient safety ensured by reporting of '0' adverse effects

Pharmacovigilance (PV) activities are related to the detection, assessment, understanding and prevention of adverse effects or any other drug-related problem. The main goal is to ensure and promote public health through continuous monitoring of the safety data of all medicines that are marketed, ensuring the patient's right for safe, qualitative and effective medicines. To monitor & manage PV activity and to inform the regulatory authority (DGDA), every pharmaceutical company should have a key person who will be responsible for collecting the data of any type of adverse events and the concerned person should have contact number so that physicians/other healthcare professionals/patients /field forces may contact at any time to inform about adverse events.

Orion Pharma Limited always works for patient safety and is satisfactorily managing PV activities for all types of medicines. The pharmacovigilance team of OPL is responsible for monitoring and managing the safety of all medicines of the company. Head of Quality Assurance is responsible to check the product quality if any Adverse Event is reported and provides technical supports, Adverse Event report to regulatory department for submission to DGDA. During collection of information regarding suspected adverse events, the data are collected very carefully and information must be authentic and reliable. It is a basic need to prepare the report by following the WHO Good Manufacturing Guidelines and DGDA Guidelines which ultimately ensures rational and safe use of medicines.

As a part of our product management process throughout its life cycle and adoption of best practices, we provide all comprehensive up-to-date safety information through the required channels to ensure our product safety information is available to the end customer or consumer. All clinical trials are under close monitoring for compliance to enhance and support our product safety information. During the reporting period, patient safety was ensured by reporting of '0' adverse effects.

➤ **Product safety, performance & quality**

Patient safety is of utmost priority at OPL and we ensure that a zero-defect approach in respect of delivering quality products is adopted here. It is very crucial to understand product's safety profile including its quality and performance. We admit that responsible manufacturing and supply of medicines in accordance with the applicable regulations, and guidelines is our commitment and within the scope of our accountability towards the patients population through improving their quality of health. Stringent compliance processes are being applied and ensured throughout the supply chain management systems. We procure raw materials and packaging materials from the qualified and authorized suppliers who meet the necessary quality, regulatory as well as company's requirement.

We manufacture medicines at our own plant which is in compliance with good manufacturing practices (GMP). The quality assurance and quality control departments are responsible to ensure that only quality products which meet the standards are released and get clearance to sale in the market. The products are constantly under monitoring throughout their self-life to confirm their quality and efficacy.

➤ **14 in-house software & application developed**

Our IT department has developed software and applications along with updating the existing ones to simplify the day to day official tasks and strengthen the technological base of the company. OPL's highly skilled internal software engineers have developed many effective and useful software, applications with the objectives to ease carrying out, monitoring and reporting the day to day operational activities. Apart from purchasing software from vendors, as on the reporting date, there are 14 (fourteen) software developed by our in-house software engineering team as per the operational requirements of different departments.



Human capital

Our employees are the foundation of our success. We are committed to providing an open, safe, diverse and inclusive work environment for each of our employees and offering competitive rewards to boost their productivity and job satisfaction.

Sources of human capital

Human capital is the employees' competencies, capabilities, skills and experiences and their motivations to innovate that the company utilizes to further its goals. The underlying principles which are the values and the code of conducts of the company are the fundamentals to foster this capital. The main sources of human capital are:

- Employee knowledge, expertise, skill and integrity;
- Training and skill development program;
- Employee engagement;
- Employee relations;
- Talent management; and
- Succession planning.

Ensuring an overall positive work environment through Employee Value Proposition (EVP)

We recognize that the employees are entitled to a good environment to work in and this is the most crucial factor in employee satisfaction. By encouraging and promoting a healthy and supportive work environment aligned to our organizational culture, we can improve productivity, business performance, employee morale and engagement.

All the activities we carry out, benefits we offer to our employees are by taking into consideration of the labor law and other relevant laws of the land. We strive to make our workplace environment and condition more conducive to optimizing employee potential, and to improving our long-term goals. The adoption of human resources strategy is underpinned by the theme of Employee Value Proposition (EVP).

Objectives of EVP



Valuing equality and diversity



Respecting human rights



Attracting people and developing talent



Handling employee grievance



Providing rewards and recognition



Supporting employee wellbeing



Confirming employee engagement



Improving employee relation



Ensuring employee health and safety



Managing succession planning

Employee diversity and equal opportunity

OPL strives to build an organization which reflects the diverse talents of a wide range of employees with different characteristics and also to establish equal employee opportunity for its valued employees. OPL has an equal and diverse workplace free from gender, age or race discrimination, hostility, and any kind of harassment with respect to religion, sexual orientation or minority.

The attraction, retention and development of employees remains equal for all qualified persons regardless of their religion, race or gender. The promotion is also based on the performance of the employee. Nepotism and lobbying both are strictly prohibited in case of choosing or promoting employees. Therefore, career development is equally open for all employees and OPL values and rewards the positive contribution of the employees' regardless the gender, position or designation.

Embracing diversity and inclusion in workplace and incorporating it into overall corporate culture helps stimulate in different ways of thinking and accumulate different knowledge together which expands scope of innovation and results in opportunities. Different people from different culture, background, gender and age are working under the same roof. So the outcome from their work is more vivid and accurate as the work is stimulated from different angle.

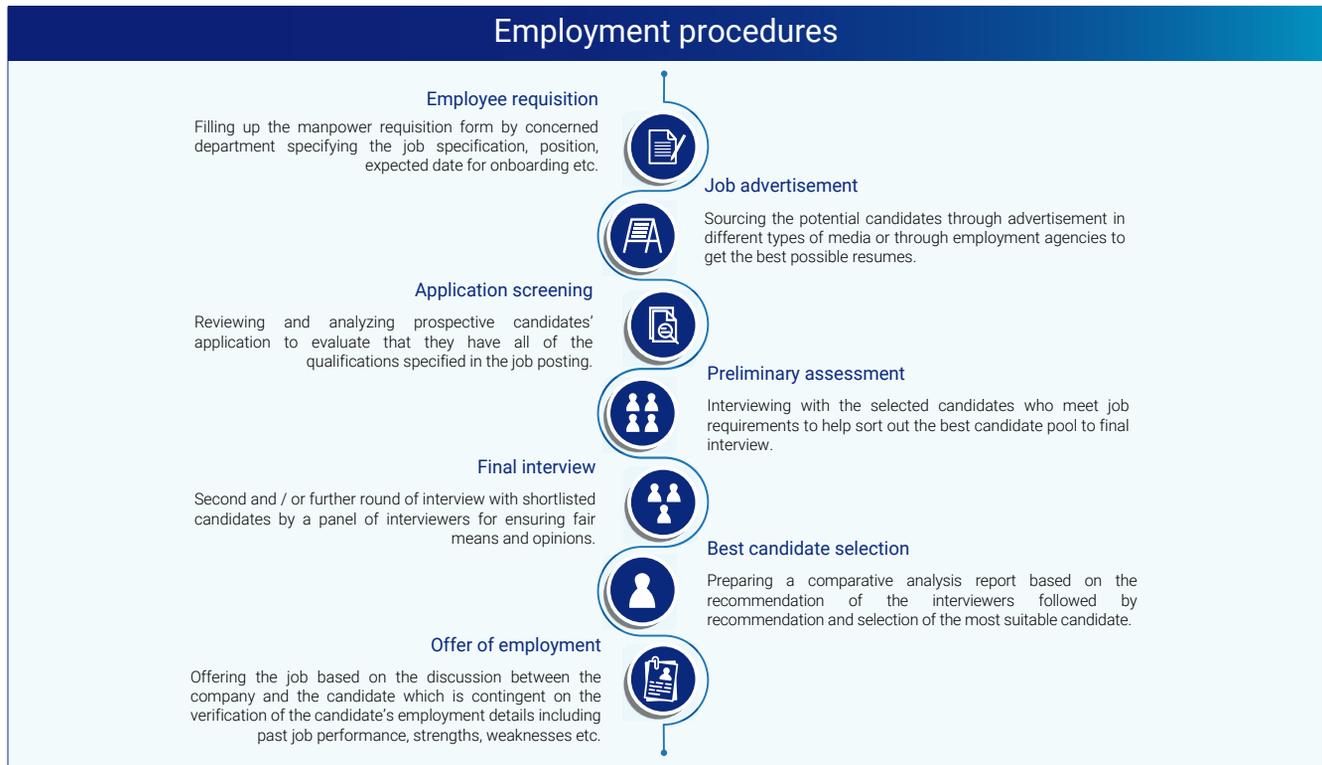
We believe that gender equality means the access and enjoyment of the same rewards, resources and opportunities

regardless of gender. We also focus on creating an inclusive culture and workplace ensuring that all the employees including the female employees are given the best opportunity to succeed. In case of female participation in Board, 43% members are female. However female employees compared to the total number of employees are very low, but we are working towards bringing a positive change in female workforce participation through prioritization of female employee recruitment and development.

Building better employment process

Good human resources are one of the key indicators to success and hence the company assures maintaining the standard in hiring whatever the position is. Fair employment practices play a pivotal role and is the key to build a better future through strengthening our ability to identify and attract the right person with the right educational requirement, experience, skill and cultural fit.

A thorough routine process is performed in the selection and interview stages to make sure that the prospective candidates are as close a match as possible to the job requirements and are aligned with the company's mission, vision and values. Our employment policy is set to assure a clear and comprehensive procedure in the steps involved in employment that ensure transparent and improved internal controls.



Our capitals

Human capital

🔗 Training & leadership development

Developing our employees and giving them opportunities to grow are the key focus areas for us. The basis of development of employees is to understand their true needs. All employee trainings and development programs are aligned with the company's strategic and operational needs. We invest continuously in our employees to help them thrive through ongoing learning and development to improve professional and leadership skills. We require employees to be adaptable, self-motivated, result-driven, decisive and responsive. We ensure that all employees are provided with equal opportunities for career advancement and development.

All the departmental and / or divisional heads are responsible to identify each employee's skill development needs through Training Need Assessment (TNA) and for the implementation of effective training program to address those needs with the support of human resources department. Our human resources development strategies evolve with the plans and progresses for individual employee development focusing on the sustainable growth as a whole for the organization.

Training and development schemes across the organization have included internal training programs, management and leadership development programs and job specific training programs.

Orion Pharma Limited has training department which is assigned with the responsibilities of arranging in-house trainings including sales people training, induction and orientation to focus on developing and enhancing the functional capacity of our employees to do their work better.

In-house training

In-house training programs are led by the company itself and are being organized for facilitation of learning for employees. The senior management employees, expert / professional employees conduct such training program under the direct supervision of training department.

External training / workshop

In order to enhance the particular skills and abilities of the employees, external training is provided by external consultants, specialists or organizations at different institutes or locations.

Opportunity to perform Holy Hajj & Umrah

Every year the company selects a few employees on lottery basis to send them for performing Holy Hajj and Umrah. Company considers this as social responsibility by making an opportunity for the employees to perform Holy Hajj and Umrah and willingly

holds the responsibilities of the entire journey to ensure employees' convenience and satisfaction, fulfilling the purposes peripheral to holy tour.

"Donation on death" benefit

As a part of social responsibility towards employees, the company makes a lump-sum payment as "Donation on death" to the legal heir/heirress or nominee of the deceased employees.

Medicines at discounted price

Another perk that we offer to our employees is that employees have the opportunity to purchase the company's medicines at a discounted price. Providing discounts on medicines helps employees get more for less. Employees can avail this discount for themselves as well as for their immediate family members.

🔗 Employee engagement

At Orion Pharma Limited, we believe that the more an employee feels part of the company, the more likely it is that they are engaged with what they do. Employee engagement is about understanding one's role in an organization, and making that role aligned with the organization's vision and objectives. An engaged employee acts as a member of the team and is very focused on the goals to be achieved.

OPL is always committed to providing 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 of themselves as a part of the company.

The commitment that our people contribute to OPL is essential to our success. We focus on making our people feel strongly connected to the company because it motivates people to put in extra effort for their organization. In this regard, we conduct "Employee Engagement Survey" every year to obtain employee insights and in order to measure progress in creating a great workplace to work. We will continue to ensure that employee engagement and wellbeing are further enhanced in future years.

➤ Remuneration & benefits

As we emphasize on sustainability, the remuneration system focuses on attracting and retaining employees. The remuneration system is designed and reviewed from time to time so that it stands a motivating factor for them as well as it supports the performance-based thrust of the human resources. We ensure each and every employee's right to get paid the right amount at the right time.

Our remuneration structure for salaried employees (including the Executive Directors) contains fixed or guaranteed remuneration and incentive remuneration. Moreover, different types of benefits, not a part of remuneration policy, are provided to employees with a view to fostering positive work culture at OPL.

Remuneration- Fixed & incentive pay

The guaranteed or the fixed pay is the main part of employees' remuneration which is paid on monthly basis. The incentive pays include periodical or timed and long term incentives. These fixed or guaranteed pay and incentive pays are as follows:

- Regular guaranteed pay is the employee's monthly gross salary including the base salary plus different kinds of allowances.
- Periodical incentive pays include 2 (two) festival bonuses, 1 (one) performance bonus, annual increment and leave encashment or Leave Fare Assistance (LFA). The increment of employees solely depends on their performance. The review of remuneration is conducted on an annual basis and any resultant increase is effective from January of each year.

- Long term incentive pays are contributory provident fund, gratuity, workers' profit participation fund and term life insurance.

Because of the professional or legal requirements, some additional allowances are paid to the employees in addition to their regular guaranteed pay. These kinds of allowances (not limited to the following) are:

- Special allowance for workers of hazardous areas of plant;
- Retirement allowance;
- Night stay allowance;
- Overtime allowance;
- Field allowance;
- In-charge allowance;
- Risk allowance;
- City allowance;
- Laundry allowance; and
- Transfer allowance.

Work with benefits

(initiatives for enabling employees to display their abilities to the maximum possible extent)



Subsidized lunch facility

Promote a balanced and healthy diet ensuring convenient and nutritional intake.



Collaborative workplace

Create collaborative culture through designing an open-office layout.



Learning & development

Encourage the employees pursuing higher studies to upgrade their qualification and extend co-operation by letting them attend their classes.



Subsidized transportation facility

Provide transportation facility for easy and hassle-free commute to and from workplace.



Termed insurance facility

Offer termed insurance to provide immediate financial support to the insured employees and their families.

Our capitals

Human capital

🔗 Employees' occupational health & safety

We recognize the importance of a safe and healthy working environment and we are committed to the safety and security of our employees. The prevention of work-related injuries including permanent disabling, occupational diseases, health and safety incident risks, improving productivity by reducing absenteeism etc. are the key focus areas, particularly for factory workers, head office employees and field force.

As we are operating in pharmaceutical industry where quality and compliance is must, control measures are in place throughout the chain to assure safe and compliant handling of all materials and products. Issue based risk assessment are conducted so that we can confirm the consideration and mitigation of all existing and emerging health and safety related risk.

Some of the initiatives (but not limited to) for employees' occupational health and safety are as follows:

Ear plugs / ear muffs	To protect ear from hazardous exposure to high levels of noise
Respirator mask	To protect the operator from very small airborne toxic particles or contaminants
Safety hoods	To protect both the worker and the environment from hazards of biological exposure
Safety helmet/ cap	To protect the head of the operator against hazards, mechanical, thermal and electrical shock
Safety shoe	To protect feet to prevent injuries in the workplace
Safety goggles	To protect eyes during chemical analysis and being contaminated by environmental hazards
Splashes or sprays	To be used for ensuring protection from particles and irritants
Surgical/ cotton and rubber hand gloves	To protect hands as well as products from contamination and cross contamination
Leather hand gloves	To be used during handling hot surface objects
Welding helmet	To protect eyes from spark light during welding of pipelines or any other materials
Face mask or disposable mask	To protect the environment by preventing large particles expelled by the operator to the environment
Emergency eye shower	To be taken during any eye accidental case with chemical in the lab
Emergency shower	To be taken during any body accidental case with chemical in the lab
Fume hood	To handle flammable solvents to remove the hazardous fume from the laboratory
Spillage kits	To be used for the control of spillage of corrosive chemicals in the lab
First aids	To be used in case of emergency treatment of injury (cut, burn etc.)



Glimpse of some safety measures taken inside our manufacturing plant

Employee relation

We are always concerned about the rights and representation of our employees. Our aim is to support our employees to lead a quality of life for themselves and their families and to offer opportunities to make themselves developed for career advancement.

We are trying to entrench a uniform culture and instil company's values throughout the organization and its employees. OPL opts to shift from the cubicle dwelling and goes for a more open-space office, as it fosters a friendlier, more efficient and generally more humane workplace. This shift towards a more open office has promoted a sense of unity and facilitated collaboration between everyone at the company. Employees

now have better understanding among themselves and it also cultivates a sense of community by breaking barriers. As information is distributed evenly throughout a team, this new seating arrangement has also helped to enhance the efficiency of employees.

Our ongoing and interactive monthly management coordination meeting is an internal communication process and is also a management and employee information sharing and engagement platform. These meetings have created a doorway for the management to know about the opinions of the mid-level management and work for their concerns.

Our capitals

Human capital

◆ Respect for human rights & ethical stance in human resources

We are committed to upholding the human rights, including freedom of opinion and expression. Our code of conduct entrenches the rights of all employees to be treated fairly and with equality and respect. No discrimination of employees on the basis of age, gender, ethnicity etc exist in the workplace. All labor, industrial and legal compliance issues are strictly complied with to uphold employee rights. We stand against child labor and forced labor. There is no child labor working in the company and the company ensures that no child is being hired. All our employees are aged 18 years and above. Moreover, we maintain a work environment where all our staffs and employees work willingly. We engage people with motivation instead of force which gives more productivity and success.

In line with our ethical HR practices, our human resource department always works with the responsibility of adding value to our success and without ethical HR practice the success is not achievable in true sense. 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, working hour as per law and prayer time. HR strictly follows the privacy code for the employees. As employees provide their personal information when they are recruited, we keep them private, confidential and safe. Their other information like salary and appraisal is also kept confidential and secured. Our human resource practice is carried out with due respect, fairness and honesty. OPL respects its employees' belief and culture and our relation is based on trust and transparency.

◆ Employee grievance handling

We recognize the failure of an employee not to perform to the best of their ability is mainly caused by the feeling of being treated unfairly or by feeling aggrieved. Therefore, we endeavor to ensure that formal grievance procedures are in place and employees have access to processes for the resolution of genuine grievances related to the workplace. Employees, who feel any kind of dissatisfaction or discontentment arising out of factors related to their job or workplace or even another employee, can raise their concerns directly to the human resources department tasked to look into the resolution of the complaint.

◆ Succession management

It is imperative to adapt to new challenges and objectives and to face stiff competition for talent in order to remain effective. Therefore, effective succession management is a tool that plays a significant role to give the company a competitive edge. Our succession plan is aligned with the company's vision and strategic objectives to ensure the successors get adequate time to make themselves prepared for the next senior roles and responsibilities. Moreover, all the training and development programs is directly linked to develop the leadership standards and professional competencies of the potential successors. Because of all positive responses from employees, OPL is always eager to increase the investment as the outcomes are positive.

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's succession planning aims to develop and train its employees with all sorts of skills necessary to enhance the employees capabilities and knowledge so that they are able to implement those in absence of department heads or senior officials especially when they resign/ retire from the company. The leaders are willingly working on grooming their junior colleagues through regular task assignments, corporate trainings and providing them with the opportunities to utilize their skills and learning in various ways.

To make the succession planning more effective, our company conducts performance appraisal on monthly basis for the employees to demonstrate their learning progress and assessing their area of development so that they can be provided with necessary training to develop themselves further. In this way, OPL is able to create a pool of efficient and reliable employees who will serve the company in near future.

Employee wellness

We believe that taking care of the wellness of employees can increase the productivity. We yearn to be a healthy and peaceful organization for the employees. We are always careful that all the health and safety criteria are fulfilled and employees are provided with different aspects of wellness.



Physical wellness

We have adopted the appropriate health and safety compliances so that the employees perform their and give the maximum output. We have a medical team comprising doctors and staffs in the office to provide emergency medical service at any time.



Social wellness

We are concerned for the employees' social wellness, value and status and try our utmost to provide them with such financial and non-financial benefits to cope up with the prevailing social trends.



Spiritual wellness

We are respectful to spiritual value of our employees, their beliefs, religions and religious practices. We provide 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

We understand that neat and clean working environment is a pre-condition for our employees. To maintain healthy and clean working environment all the time, a significant number of cleaners are working to keep the environment healthy and clean.



Occupational wellness

We ensure that our employees are satisfied with their job. We provide them with proper work rest, vacation, reward and promotion so that they feel valued here. We want to retain our employees and give them career wellness accordingly.



Intellectual wellness

We believe that the intellectual employees 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 of employees' intellectual development.



Psychological wellness

We value psychological wellness as it can make both positive and negative vives in employees. Our management takes various initiatives to keep them motivated. We implement different initiatives that positively impact the psychological health and safety of employees.



Financial wellness

We provide the financial benefits keeping the current competitive market in mind. Loans, advances and other benefits are also provided when required. Moreover, the employees' performance is evaluated monthly and financial appraisal is done yearly on the basis of performances.

Social & relationship capital

Engaging with our key stakeholders and sharing values with them is fundamental to sustainable growth. We, as a responsible corporate citizen, carry out business activities with transparency, integrity that enables us to invest in various socio-economic development activities for improving the well-being of our country.

Sources of social & relationship capital

Social & relationship capital represents the relationships with communities, stakeholders, and the ability to share value with them for mutual benefit. The main sources of social & relationship capital are:

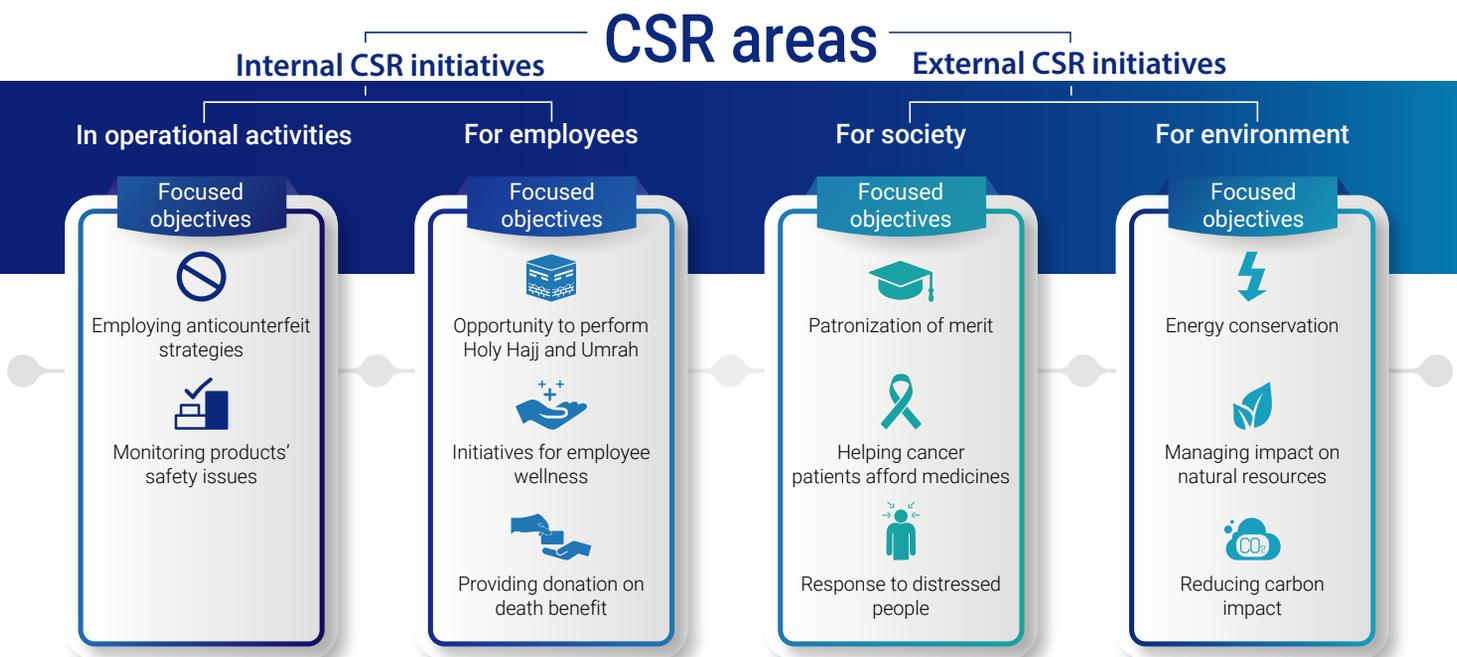
- Social care and wellbeing;
- Improving quality of life;
- Community welfare; and
- Environmental consideration.

Social capital: Contributing to sustainable growth of the nation

Orion Pharma Limited always gives utmost importance to its social capital. We believe that being a socially responsible business organization not only provides sustainable business models, but also has improved marketing, human resource, employee satisfaction, customer loyalty and brand perception.

Concentrating on social capital through various Corporate Social Responsibilities (CSR) simultaneously helps to satisfy the demand of potential stakeholders accordingly. CSR allows us to do our bit for the society, environment, customers and other relevant stakeholders. Our CSR model takes the following factors into consideration:

- Socio-economic scenario of Bangladesh and its journey towards attaining SDGs;
- Pressing national matters under humanitarian grounds;
- Value system of employees and management;
- Sense of duty and responsibility of the company towards the employees, customers, communities and environment;
- Sustainable development and enhanced accountability towards all the stakeholders;
- CSR initiatives of OPL and its subsidiaries; and
- CSR initiatives of Orion as a Group.



➤ CSR in operational activities

We are committed to building a company that is sustainable, not only financially, but also socially and environmentally. Our CSR initiatives drive our long-term performance and operational efficiency. OPL goes the extra mile to ensure safety and quality of medicines.

Anti-counterfeit activities

OPL is very serious about product quality, safety and efficacy. To prevent counterfeit of medicines, we actively monitor and fight against any counterfeit activity. To prevent such incidence the following additional activities are practiced at OPL:

<p>Printed cap</p> <p>We use printed cap having "Orion Logo".</p>	<p>Hologram sticker</p> <p>We use hologram sticker having "Orion Logo" to seal the packets of finished products.</p>
<p>Barcode/QR code system</p> <p>We have implemented barcode/QR code system on the carton to prevent counterfeit of our export-products.</p>	<p>Product code verification system</p> <p>We use product code verification system where customers can SMS to DGDA approved specific number to confirm the authenticity of products.</p>

Pharmacovigilance (PV) activities

Our pharmacovigilance team is actively carrying out pharmacovigilance activities for all types of medicines. They are responsible for monitoring and managing the safety of all medicines of the company. They are strictly monitoring overall activities of pharmacovigilance including the inspection of the product quality if any adverse event is reported and providing technical supports and Adverse Event (AE) report to regulatory department for submission to DGDA.

➤ CSR for employees

At OPL we believe that we have an obligation towards all our employees in keeping them motivated and also showing them the importance of good practice of social responsibility. This will also help the employees to realize the essence of being responsible to the society. Out of the benefits that are provided to all our employees which are mentioned in our 'Human Capital', we have mentioned below the extra initiatives adopted by the OPL for employees.

Donation on death

When a regular employee of OPL dies irrespective of death during working hours or later, the family members of deceased employee are provided some financial assistance as instant support. In many cases, the company also takes up the responsibility of education of the children of the deceased employee as an acknowledgement of their loyalty and attachment with the company.

Setting up medicine corner & doctor's chamber

During this Covid-19 pandemic, a medicine corner booth has been set up so that employees can purchase medicine instantly from medicine corner for themselves and their family members at 30% discount. Furthermore, a doctor's chamber has been opened for medical advices for the wellbeing's of employees and their family members as an effort to provide employees with more convenient means of addressing urgent health needs during Covid-19 pandemic.

Sponsoring Holy Hajj & Umrah

Every year OPL provides the opportunity to a few employees to perform Holy Hajj and Umrah. The company carries out all formalities and bears all the expenses such as airfare, accommodation and the relevant Hajj/Umrah expenses. This benefit is appreciated wholeheartedly by all our employees.

➤ CSR for society

OPL focuses on long-term value of giving back to the society by providing educational facilities and sustaining health in various communities which can raise the standard of living. We concentrate on improving livelihood of the underprivileged in the society as a way of helping the mankind by considering the value of human-life.

Scholarship for medical students

One of the CSRs that OPL undertakes focuses on the education of the medical students. Mrs. Arzuda Karim, Director of OPL is personally involved in these activities and always tries to help the future medical service providers through financial and other motivational means. Every year we organize a ceremony and

Our capitals

Social & relationship capital

invites the top medical students from different government medical colleges all over Bangladesh to reward them with scholarships. Till the reporting date, around 30 (thirty) students are receiving scholarship.

Enliven Patients Assistance Program (EPAP)

Orion Pharma Limited has been successfully running the Enliven Patients Assistance Program (EPAP) since 2004 to help the society. This program is an endeavor to provide Enliven at subsidized price or in some cases at free of cost for the underprivileged blood cancer patients with Chronic Myelogenous Leukemia (CML) in Bangladesh. Enliven is used to treat certain types of leukemia (blood cancer), bone marrow disorders, skin cancer or certain tumors of the stomach and digestive system. Under the EPAP program, the patients can get their Enliven drugs at complimentary prices and many of CML patients are benefited throughout Bangladesh. 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 equivalent 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. Since beginning we at OPL have served more than 200 (two hundred) Chronic Myeloid Leukemia patients under this program with a vow of maintaining this event in the future.

New clothes to orphan children

Orion Pharma Limited considers helping orphanages to be one of the most benevolent activities because betterment of livelihood of socially and economically deprived people is of utmost importance for the economy as a whole. Every year during the month of Ramadan, Orion provides new clothes and shoes to orphan children belonged to orphanages located in Jatrabari, Uttara and Hatirjheel. It is a pleasure for Orion to be able to stand beside these orphans and is always willing to help the underprivileged in fulfilling their rightful needs as much as possible. As a part of our philanthropic activities, Orion will continue to contribute the disadvantaged and deprived group in the society to ensure their improvement in the living standards.

Iftar to the underprivileged

Ramadan facilitates the path to paradise and keeping this notion in mind everyday in this holy month iftar packets were distributed to the underprivileged people of the society. This is an effort undertaken by OPL to help out the needy people and make them happy by providing them with delicious iftar packets. Undoubtedly Orion will continue this endeavor in the future.

🔗 CSR for environment

OPL believes that going beyond environmental compliances makes good business sense and can help improve long term success. The company is always involved in activities undertaken for protecting and preserving the environment and makes more efforts at building a more sustainable and green future for the next generation and continue doing our bit for the environment.

Use of natural daylight

OPL has adopted a building design emphasizing access to daylight and enjoy benefits from natural light into building. Maximizing the usage of daylight is one of the cost-effective means of reducing the consumption of energy.

Upgraded lighting system

We have installed LED lighting fixtures in our corporate office as well as in manufacturing plant. By investing in the LED lighting, we have adopted one of the energy efficient substitutes and reduced energy consumed in lighting the facility.

Initiative for a paperless office

With the intention of going paperless and saving trees, we have started discouraging excessive printing. OPL's new office layout has been done by setting up central printers for each floor and promoting the idea of using both sides of papers. We always encourage using electronic channels and e-mailing for all types of communication and have also adopted computer based examination in place of traditional paper-and-pen examination for our recruitment and promotion exam.

Conservative use of water & natural gas

OPL ensures efficient use of water required in the medicine manufacturing process, in cleaning the machineries, for employee hygiene and for maintaining other environmental conditions. In addition through the efficient use of natural gas, we are also committed to assuring that all critical energy including natural gas are being used for all activities in a conservative way.

Reducing carbon emission

OPL is committed to minimizing the impact of carbon released from our plants and vehicles. Most of our machineries run in electricity or natural gas rather than diesel. This ensure less carbon emission. In case of vehicles, we ensure fuel quality which is an important element in reducing greenhouse gas emissions from transport and regularly carry out servicing of our vehicles.

Relationship capital: Connecting with our stakeholders

Relationship capital is an intangible capital involving sharing information solving problems and creating brand among our stakeholders who have interest an impact on our company activities.

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.

Fun & celebration

Our employees regularly participate in various events along with performing their job responsibilities, so that they have a refreshed mind and soul and proper mental balance at work. 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.

Our employees welcome "Pohela Falgun" and "Pohela Boishakh" with a great pleasure and enthusiasm by wearing traditional outfits. In addition to that the company also arranges gift hampers/boxes, sweet boxes with company logo on them and distributes those to employees 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.

Management coordination meeting

OPL conducts management coordination meeting on a monthly basis comprising of Mid-Level and Top-Level Management with a view to developing future leaders of the company. In these meetings the importance of leadership development, change management, team building, development of human resources and topics on current socio-economic condition is highly emphasized upon and discussed extensively. The senior management also motivates the participants about instilling values of equal treatment and the practice of recognition of all junior colleagues' work. The participants present in the meetings later convey the meeting discussions and decisions to their junior colleagues for better coordination.

External relationship

Our external relationship says about how we deal with external stakeholders like customers, shareholders, community etc. who significantly impact how business will function in the market.

Customer complaint form

OPL has a Standard Operating Procedure (SOP) on management of customer complain. We deal with all complains as per our SOP. Our customers can provide their feedback or complaints, if any, by filling up a "Customer Complaint 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 PMD and Sales Department receive the same from depots. After that, the Quality Assurance Department, which is mainly responsible to deal with this matter works on it to solve the problems and ensures no repetition of same problem in the future.

Response to shareholders queries

Orion Pharma Limited has a dedicated Share Department to carry out all share related activities and provide services to its shareholders. 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. 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;
- Demat paper shares into electronic shares; and
- Keeping shareholders informed of developments and events that may influence the share price, in a transparent manner through PSI.

Orion Medical Journal

OPL publishes the Orion Medical Journal on a quarterly basis. The journal was founded in September 1998. 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. OPL is proud to state that several distinguished medical professionals comprise of the Advisory & review board of the journal.

Natural capital

Integrating green practices in our operational activities is a part of our values. Our approach to using natural resources in a conservative way and taking initiatives to reduce any adverse impact of our business operations to the environment portrays our contribution towards a greener environment and sustainable value creation.

Sources of natural capital

Natural capital represents a group of all renewable and non-renewable environmental resources and processes used to manufacture products which eventually support the prosperity of the organization. The main sources of natural capital are:

- Efficient utilization of natural resources including water and energy;
- Ecological balance by green landscaping;
- Managing carbon emission;
- Pharmaceutical waste and effluent management;
- Installation of solar PV panels;
- Air pollution / dust emission; and
- Daylight inclusion at workplace etc.



Ecological plan

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

Environmental management & stewardship

We believe that the sustainability of business is directly related to sustainability of environment. Therefore, we always focus on endeavors to minimize any negative impact that we might have on the environment through our business operation. Keeping environment safe and pollution free remains our utmost priority. Failure to ensure the eco-friendly use of machines and materials leads to risk of cancelation of our legal license to operate. Both the corporate office and the production plant ensures the highest level of environmentally safe operation and compliance with environmental regulatory requirements. Our initiatives further guarantee our efforts to improve our energy efficiency and minimize adverse impact on environment.

Control of air pollution or dust emission

Maintaining an effective air pollution or dust collection system is crucial particularly in production areas. Our production block is maintained by HVAC system of class 100000 area using HEPA filters which filter the air through removing at least 99.97% of

airborne particles and minimize the risk of the release of harmful substances into the atmosphere.

Automation by Building Management System (BMS)

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 systems are connected to BMS for automatic central control. Our fire detection system is also integrated with BMS.

Biodiversity

Our business activities are not creating any adverse impact on the environment as we have adopted all kinds of initiatives including the solid and liquid waste management system. On top of that none of the business units are located in any conservation area or area of high biodiversity.



Utilization of natural daylight

With the aim of ensuring sustainability benefits in terms of energy savings, we have adopted a building design emphasizing access to daylight and enjoy benefit from bringing natural light into the building. Maximizing the usage of daylight is one of the cost-effective means of reducing the consumption of energy.



Solar PV panels

OPL has installed solar PV panels in its new plant to provide electricity for production and industrial operations. The main objective of setting up solar panels is to reduce dependency on natural grid for power supply. Our company is looking forward to strive towards a pollution free environment with a better future for our country and this is a step in that direction.

Our capitals

Natural capital

Responsible management of waste & effluent

As part of pharmaceutical industry, all the industrial waste and effluent are properly processed, managed and disposed before discharging to the environment. The solid waste are comprised of the following:

- Raw materials container like carton, poly bag, paper bag etc.;
- Packaging materials like film foil, lid foil, carton, label, insert, glass and PET bottle, spoon, torn papers, polythene etc.;
- Rejected tablets, capsules, powders, blisters, ampoule, vials etc. from daily manufacturing;
- Laboratory area chemical containers ; and
- Used and rejected filters coming from HVAC system, process machines, laboratories etc.

The liquid waste or effluent are generated from the following activities:

- Equipment washing in general washing area;
- All machines' product contact parts washing through automatic washing system; and
- Laboratory area chemical washing after use.

Effluent Treatment Plant (ETP)

We have an ETP with neutralizing capacity of 3,75,000 litre/day. Liquid waste or effluent 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 waste are collected to underground PIT outside of production building which is directly connected to ETP through pipeline and wastage will be passed through Effluent Treatment Plant (ETP) for treatment and making it safe for the environment. After final treatment of effluent with the help of ETP, the water is used for gardening purpose of the factory premises or it is discharged to the local central drainage network. Everyday routine test is carried out in the laboratory to ensure the compliance with the regulations.



Incinerator

We have recently installed an incinerator with incineration capacity of 100 kg/hr. An incinerator is generally defined as any furnace used in the process of burning solid waste for the purpose of reducing the volume of the waste by removing combustible materials. The incinerator is used for disposal of waste materials of rejected tablets, capsules, powders, blisters, ampoule, vials etc. from daily manufacturing. During formulation of medicine, wastage or process loss is 2-3% which is not recoverable. This type of wastage is also incinerated by passing through incinerator.



Upgraded lighting system

In order to improve energy efficiency and lower carbon emissions, LED lighting fixtures has been installed in our corporate office as well as in manufacturing plant. By investing in the installation of LED lighting, we have adopted one of the energy efficient substitutes and assure the savings of energy consumed in lighting the facility.

Use of rabbits for toxicity test

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 on a suitable animal model before clinical trials on human being. The animal test provides data on efficacy and safety of medicinal products. Our microbiologists use rabbits for conducting adverse toxicity effect of first time launched parenteral products and market complaints.

Rabbit is not a carrier of any health hazard potential pathogen. Our rabbit house is located on the top floor of the factory building where a total of 9 (nine) rabbits are available. We have 2 (two) workers in 2 (two) shifts to look after our animals.

Converting to a paperless office

The initiatives to make a digital switch to paperless office is another approach to do our part to ensure that we are committed to preserving the environment. We admit that we feel comfortable in doing our works using papers as we are habituated to this traditional way of working. Nonetheless, we are working on changing the culture to accept paperless as the

new way of working. At the same time we also agree that paper retention will be necessary in some cases and our motive is to reduce the use of papers, not to eliminate it altogether. With this in mind, we are selecting technologies and adopting strategies that promote reduction in paper usage in the workplace.

As a small step to encourage going paperless in our office, we have started by discouraging excessive printing. For this OPL's office layout has been done by setting up central printers for each floor and promoting the idea of using both sides of papers.

We always encourage using electronic channels and e-mailing for all types of communication, which reduces the consumption of paper thereby results in decrease in deforestation. In case of working with coworkers and employees and sharing information, we use our own mail server, File Transfer Protocol (FTP) server, Google Drive, Dropbox etc. to share documents, files and more, and can easily collaborate and work together.

We now use finger punching attendance machine for better employee attendance management. We have also adopted computer based register system instead of paper based register book. Replacement of paper based works by digital system causes less use of paper.

Along with this, implementation of technologies such as scanning, duplex printer are some other attempts to replace paper-based processes with electronic or digital forms. Another initiative to go paperless and save trees is that we have adopted computer based examination in place of traditional paper-and-pen examination for our recruitment and promotion exam.

Managing carbon emission

We are committed to bringing an improvement in our environmental performance by reducing the carbon emission from our business activities. We pursue investment in energy efficient machineries and maximum usage electricity of national grid and natural gas as utilities, which are less carbon intensive, in production process.

We are operating in pharmaceutical industry where the field force is highly dependent on the frequent use of motorcycles for carrying out their job responsibilities. Also the distribution of medicines is done through the delivery van across the country.

But we are aware of the fact that vehicles contribute significantly to total emissions of carbon dioxide (CO₂), the main greenhouse gas. Since we cannot 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; and
- Follow fuel management efficiently.

We encourage 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.

Conservative use of natural resources

Water

We recognize that fresh usable water has been identified as one of the scarce resources in Bangladesh as Bangladesh has one of the highest population densities in the world. Therefore, we are very much aware of efficient use of water everywhere. As a manufacturing company, the extensive use of water is required in the medicine manufacturing process, in cleaning the machineries, for employee hygiene and for maintaining other environmental conditions. Deep tube well water is the main source of water at Orion Pharma Park, manufacturing site at Siddhirganj, Narayanganj. Monitoring facilities are available to ensure minimum wastage of water.

Natural gas

Gas is another limited natural resource in Bangladesh. We are facing severe gas shortage problem. Gas crisis is an ongoing issue and therefore, we mostly depend on electricity for our operational activities. However, through the efficient use of natural gas, we are committed to assuring that all critical energy including natural gas are being used for all activities in a conservative way.

Operating context analysis Porter's five forces model

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 which identifies 5 (five) core competitive forces and by gaining knowledge about these forces and how they impact on the business, we can make better decisions and plan better.

	<p>Threats of entry posed by new or potential competitors</p> <ul style="list-style-type: none"> • Economies of scale achieved by the established businesses; • Huge capital intensive business; • Access to the distribution channel is difficult; • Stringent government rules and regulations, particularly regulatory permission from the drug authority; and • Customers brand loyalty. 	<p>Impact on our business</p>	<p>Low</p>
	<p>Degree of rivalry among existing companies</p> <ul style="list-style-type: none"> • High rivalry exists among the companies in the industry as same generics under different brand names are available; • Industry is benefited from the strong demand of the consumers; and • In the long run companies require low fixed cost and high working capital. 	<p>Impact on our business</p>	<p>High</p>
	<p>Bargaining power of buyers</p> <ul style="list-style-type: none"> • As medicine is one of the basic needs, price sensitivity is low. Also government strictly maintains the retail price of lifesaving medicines, so consumers don't worry about pricing; and • If any drug is prescribed by medical practitioners or physicians, the end user prefers to buy that without thinking about any alternative 	<p>Impact on our business</p>	<p>Low</p>
	<p>Bargaining power of suppliers</p> <ul style="list-style-type: none"> • Pharmaceutical companies of Bangladesh procure raw materials largely through importing from various countries. In case of inappropriate bargaining from suppliers, pharmaceutical companies can switch but switching costs are high. 	<p>Impact on our business</p>	<p>Medium</p>
	<p>Threat of substitute products</p> <ul style="list-style-type: none"> • Generic drug companies do not spend in research and development of new drugs. So they can sell their medicines at cheaper rate. Hence threat exists in generic competition; and • If any medicine is prescribed by medical practitioners then end user usually buys that medicine. However, customers can switch to another brand due to the unavailability of suggested brand as their are many substitutes of a generic. 	<p>Impact on our business</p>	<p>Medium</p>

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.



Strengths

What we do well

- OPL has overseas marketing network in 16 countries;
- Strong corporate and company brand image;
- Strong, transparent and professional management;
- Strong demand for our cardiovascular drugs;
- 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;
- 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; and
- Existence of competitive advantages.

- Limited presence in international market;
- Substandard position in a few areas of HR indicators;
- Lagging behind in starting full-fledged production in new production plant; and
- Grappling with introduction of new potential generic medicines in the market.



Weaknesses

Where we need to improve

What we can achieve

- Emerging new international markets;
- High annual growth rate of pharmaceutical industry in Bangladesh 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); and
- 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.

- Increase in competition both in local and overseas pharmaceutical market;
- Change in rules and regulations from Bangladesh Food & Drugs Authority 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;
- Political instability and turbulence and disruption by the law enforcement agencies may disrupt supply chain, production and hamper cost competitiveness; and
- Impact on supply chain, operation and distribution if Covid-19 pandemic situation worsens or persists to stay for a long time.

What obstacles we face



Opportunities

Threats



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 as well as the company and is used for business and strategic planning, marketing, planning, organizational change, business and product development and research reports.



Political

Factors

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

Our response

- The political condition of Bangladesh has been quite stable during the last few financial year; and
- We neither faced any big troubles while carrying out our regular business activities nor any government rules and regulations were against us.



Economical

Factors

- Exchange rate and interest rate fluctuations;
- Global economic crisis;
- Intense competition in pharma industry;
- Annual growth rate of pharmaceutical industry in Bangladesh; and
- Fluctuation in GDP growth rate due to pandemic situation.

Our response

- As 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;
- In order to sustain in this highly competitive industry, we are focusing more on medicines required to cure chronic diseases; and
- Due to uncertain economic condition in the face of Covid-19, we have been adopting alternate strategies to mitigate the negative effects of pandemic.



Social

Factors

- Creation of job opportunities;
- 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;
- Betterment of the society;
- Active participation in social networking with healthcare professionals; and
- Change in lifestyle.

Our response

- We are continuously focusing on identifying the medicinal 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; and
- We actively participate in various social and philanthropic activities to share values with the society and to achieve economic growth, environmental protection and social welfare.



Technological

Factors

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

Our response

- World class machinery and equipment are available at our new manufacturing plant; and
- Various updated and customized software mostly developed by our own IT team, when required, are being used for the operation and maintenance of operational activities.



Legal

Factors

- 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; and
- 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; and
- 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.



Environmental

Factors

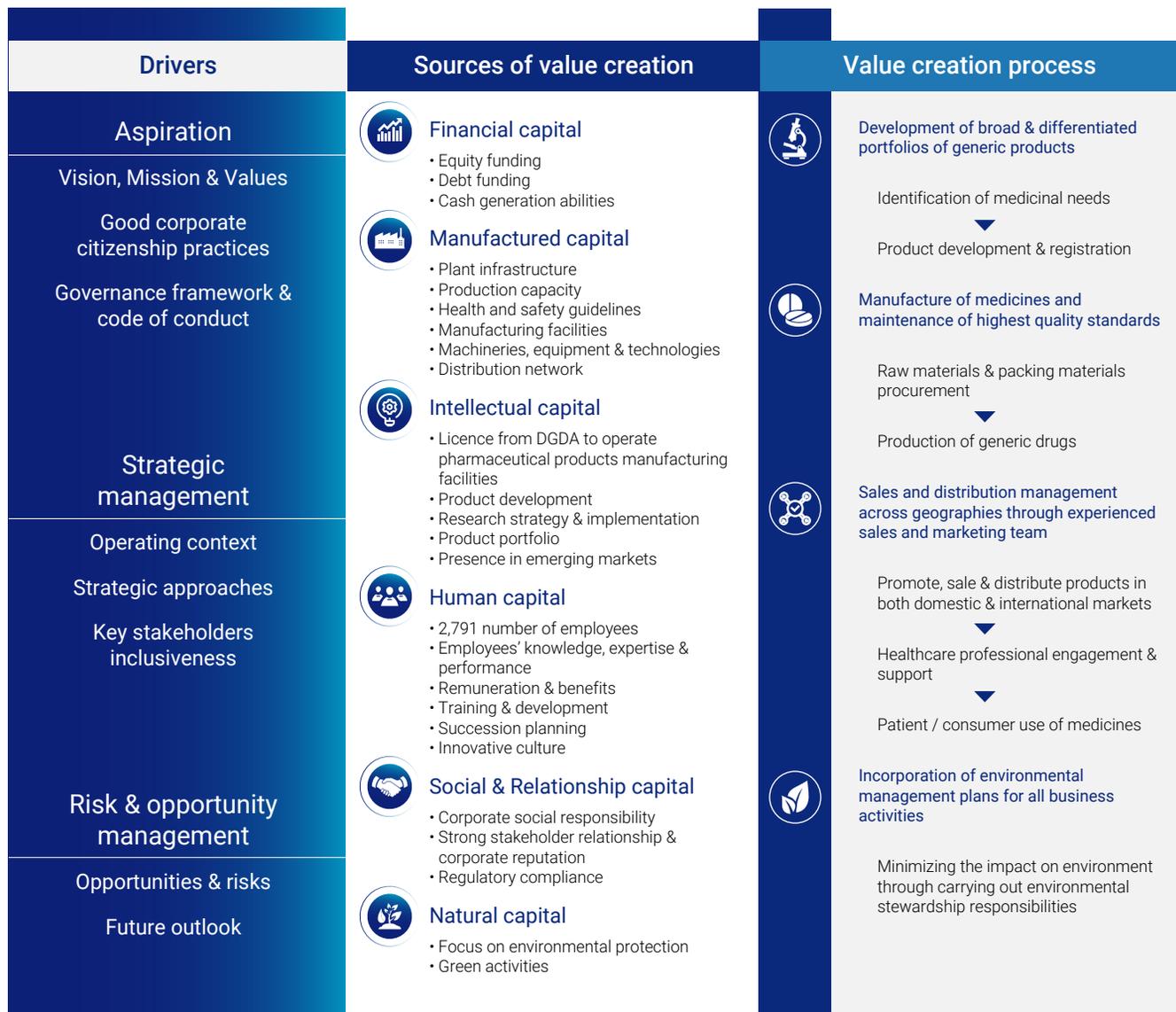
- Increase in environmental agenda about climate change; and
- Increase in community awareness about environmental issues;

Our response

- We are doing our business by adopting ecofriendly technology and operation process which preserve the environment through energy efficiency, maximum usage of daylight, making our office paperless and effective waste management.

Business model for value creation

Our business model revolves around our promise “Healthier life, our commitment” and the model enables us to deliver value for our stakeholders in a sustainable manner. As a pharmaceutical company, we operate in a competitive, highly regulated industry and calibrate 6 (six) capitals as well as our value drivers to provide high quality medicines across the markets. All our business activities have impact on potential stakeholders and on the resources used in the process, including land, water and energy.



Contributing to achieving the Sustainable Development Goals



For more details see page 6

Strategic allocation of resources	Outputs of process	The values we created
<ul style="list-style-type: none"> We allocate and utilize financial capital in a proper way for enhanced shareholder returns We invest in a product portfolio that presents opportunities for sustainable revenue growth We build a strong supply chain management to strengthen our ability to serve customers by delivering products faster We practice health, safety and environment issues on our regular operations to ensure our sustainable business We act responsibly in financial statements as well as report and communicate effectively with stakeholders We identify legitimate interest of potential stakeholders and engage with them accordingly to maintain corporate reputation and stakeholders trust We provide proper training facilities to our employees to make them developed and improve their skills to perform more in their roles We have a strong sales force in 33 regions and distribute products through 19 depots and 69 customized vehicles We give high priority to have or share a positive employee relationship that results in high employee engagement, productivity and morale We ensure product quality at various steps from materials to final packaged product and also provide quick response on product specific customer queries We perform environment friendly operation, manage waste and efficient use of natural resources We have a dedicated R&D team working on development and improvement of new and existing products respectively We are involved in serving society by participating in various philanthropic activities 	<p>No. of brands</p> <p>124</p> <p>No. of presentations</p> <p>223</p> <p>No. of generics</p> <p>123</p>	<p>Financial capital</p> <ul style="list-style-type: none"> Profit after tax - BDT 846.08 million Earning per share - BDT 3.62 Net cash generated from operation - BDT 1,161.77 million <p>Manufactured capital</p> <ul style="list-style-type: none"> Capital expenditure - BDT 83.43 million <p>Intellectual capital</p> <ul style="list-style-type: none"> No. of flagship products - 42 No. of first to market products - 10 No. of overseas markets - 16 <p>Human capital</p> <ul style="list-style-type: none"> Employees received trainings <p>Social & Relationship capital</p> <ul style="list-style-type: none"> Various CSR activities undertaken Payment to government - BDT 851.68 million Payment to shareholders as dividend - BDT 1.00 per share <p>Natural capital</p> <ul style="list-style-type: none"> Proper treatment of waste through ETP and incinerator Dust free air emission from factory Conservative use of natural & other resources Maximum usage of daylight Reduced water consumption Reduced paper consumption

Value chain model

We portray Porter’s Value Chain Analysis to explore all business 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.

All 5 (five) primary business activities are essential to create value and competitive advantages.

Inbound logistics	Operation	Outbound logistics	Sales & marketing	Service
<ul style="list-style-type: none"> • Strong relationship with suppliers and vendors • Sourcing supplies of high quality materials • Efficient warehouse facilities • Logistics and stock management 	<ul style="list-style-type: none"> • Identifying, developing and delivering medicines • Automated manufacturing processes • Compliance in the production process • Quality control and inspection. 	<ul style="list-style-type: none"> • On time delivery through depots and own customized vehicles • Inventory management • Efficient dispatch and delivery system • Emergency supply 	<ul style="list-style-type: none"> • Efficient sales force • Regular training of the sales team • Effective customer management system • Entering emerging markets • Sales and market analysis • Branding and promotion 	<ul style="list-style-type: none"> • Product complaint form • Customer survey and seeking feedback • Better responses to changing consumer needs • Expired product management



Providing opportunity to our talented workforce to build up long and rewarding careers

Employees

Employees received trainings

Paying dividends to shareholders as well as reinvestment of returns for future growth

Shareholders

10% cash dividend proposed for shareholders

All 4 (four) support business activities are integral to the effectiveness of primary activities.

Firm infrastructure	Human resource management	Technology development	Procurement
<ul style="list-style-type: none"> • Prevalence of good governance and code of business conduct • Structured departments and hierarchical system • Better accounting and financial management practices • Infrastructural layout ensuring minimum use of natural resources 	<ul style="list-style-type: none"> • Strong HR department to recruit, train and motivate employees • Excellent corporate culture for team work and leadership development • Competitive salary package and compensation benefits • Ensuring healthy working environment 	<ul style="list-style-type: none"> • Installation of machinery and equipment with advanced technologies • Automated Central Distribution Centre, distribution channels and depots • Real time access to sales records from all depots • Development of in-house customized software 	<ul style="list-style-type: none"> • Direct contact with vendors and suppliers • Good cross border relationship • IT based procurement planning and inventory management system • Practice of strong code of business conduct



Delivering high quality, affordable pharmaceutical products in areas where medical needs are high

Patients

223
number of medicines

Undertaking various CSR activities and participating in national development through contributing to national exchequer

Society

BDT 851.68
million paid to government

Our strategic objectives



Patient health & safety

Focus area with strategic plan

Capital linkage

- Manufactured
- Intellectual
- Social and relationship

Stakeholder linkage

- Patients
- Doctors and Pharmacies
- Government and Regulators
- Suppliers
- Shareholders and investors

Maintain quality products

We understand that quality is critical to satisfying customers and retaining their loyalty. The Research and Development Department over here works very hard to improve the quality of the products by using the best raw materials and latest technology. Also the Quality Assurance and Quality Control Departments are accountable to maintain the quality throughout the process.

Respond to customers within a reasonable time

Customers expect to be responded to within a short span of time with appropriate service. OPL always responds back to customers regarding any queries or services, within the shortest span of interval. We treat each customer complaint with compassion and respond to them in such a way that shows them care.

Pharmacovigilance

The Pharma-covigilance team of OPL is responsible for monitoring and managing the safety of all medicines of the company. All comprehensive information is provided through the required channels to ensure our product safety. Every procedure is conducted under close monitoring for compliance to enhance and support our product safety information.

Related risk

- Product quality
- Market demand and completion
- Stakeholder relationship
- Compliance issues
- Financial issues
- Corporate reputation

Related opportunity & outlook

- Highest quality management standards in manufacturing plant
- Post sale product quality assurance



Operational excellence

Capital linkage

- Manufactured
- Financial
- Social and relationship

Stakeholder linkage

- Shareholders and investors
- Society
- Competitors

Focus area with strategic plan

Improved productivity

OPL 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. We also carry 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.

Strict cost control & management

OPL exercises strict cost supervision as cost control is critical and an enterprise cannot afford to underestimate the budget on an important project. We are proactive and continually focus on cost control methods, so that we can avoid the need to react suddenly to changing circumstances. Strict cost control is important because it improves company's ability to operate from a position of strength.

Sustained financial performance

OPL utilizes a combination of funding sources which helps to create more growth, opportunities and overall potential. We employ a balanced mix of debt and equity funding to maximize the return on capital employed. We manage our cash flow and achieve our short term goals taking into account both the historical analysis and future targets.

Community engagement

OPL believes that corporate houses have a sense of responsibility towards the society that must be fulfilled because the success of each has a huge impact on the other. We review the CSR Program and its budget allocation on a quarterly basis, as we believe 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.

Related risk

- Supply disruption
- Stakeholder relationship
- IT failure
- Credit risk
- Liquidity crisis
- Financial sector scenario
- Interest rate risk
- Exchange rate risk

Related opportunity & outlook

- State of art technology
- Green initiatives



Product specific strategy

Focus area with strategic plan

Capital linkage

- Intellectual
- Financial

Stakeholder linkage

- Patients
- Doctors and Pharmacies
- Competitors
- Shareholders and investors

Strong brand image

OPL is continuously engaged in increasing brand awareness and promotion. With a view to establishing strong brands in the market, we select brands on a quarterly basis to promote them further. We also attend different doctor conferences and trade fairs overseas to inform about the quality of our medicines.

Strong research & development

Product research and development is very crucial in the pharmaceutical industry. OPL takes every initiative to strengthen the research and development team, because they ultimately bring improvements in product lines.

New product development assessment

OPL believes that adding a new product or entering a new market segment offers the opportunity for exponential growth. Before deciding to develop new products, OPL assesses both the opportunity and risk of new product development.

Related risk

- Product pipeline and development
- Market demand and competition

Related opportunity & outlook

- Enhance specialized segments



Ethical behavior & governance

Focus area with strategic plan

Capital linkage

- Financial
- Human
- Social and relationship

Stakeholder linkage

- Shareholders and investors
- Government and regulators
- Society

Corporate governance

The Board at OPL develops policies in relation to the overall governance of the organization which plays significant role in the formulation and adoption of the organization's strategic direction. The Board has an appropriate balance between Directors with experience and knowledge of the organization and specialist expertise.

Business ethics & code of conduct

OPL has a Code of Conduct for all its employees which is a collection of rules and regulations that includes what is and is not acceptable in terms of ethics and values. In addition, OPL has formulated a special Code intended to serve as a source of guiding principles for the Board and the CEO.

Compliance

OPL conducts its operation and business in compliance with all the relevant laws, rules, regulations and standards applicable to the company. We follow compliance in every aspect of customer health, employee safety, financial reporting, quality of product, production and plant, international business and so on.

Related risk

- Corporate reputation
- Compliance issues

Related opportunity & outlook

- Adoption of good governance



Market presence

Focus area with strategic plan

Capital linkage

- Financial
- Intellectual
- Human

Stakeholder linkage

- Patients
- Employees

Broader market with strong foundation

OPL is working to redefine the market by increasing the number of territories. We plan to go for further capital expenditure in order to broaden and strengthen its distribution coverage from our warehouse to remote areas of the country for delivering quality medicines timely to the consumers. OPL also takes measures so that the distribution centers including the CDC strictly monitor cash and credit sales especially in case of bulk sales orders to prevent product migration and unethical sales, which will ultimately enhance our foundation through sustainable business operations.

Knowledge based professional team

OPL always works towards making a knowledge based professional team. Taking this into our core consideration, we pursue to provide both on-job training of field forces by supervisors along with training on detailing skill & product discussion during field visit.

Global footprint expansion

OPL carries out an extensive 'due diligence' before expanding to international borders. Emerging markets offer an attractive growth prospect, as several of these countries see rapidly rising incomes, better-informed patients, and expanding access to healthcare. Winning strategies are formulated so that we can enter there. We also have the plan to enter regulated markets for which we are trying to attain required certifications and consolidations.

Related risk

- Market demand and competition
- Supply disruption
- People and talent

Related opportunity & outlook

- Entry in new emerging markets



Employee wellbeing and engagement

Focus area with strategic plan

Capital linkage

- Human
- Financial

Stakeholder linkage

- Employees
- Government and Regulators

Talent management through training & education

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, we conduct training for ethical, cultural and social interactions along with job oriented trainings.

Employee engagement

OPL is always committed to provide a workplace where employees remain motivated and engaged. We focus on making our people feel strongly connected to the company because it motivates people to put in extra effort for the organization.

Occupational health & safety

OPL always ensures that employees can and are able to do their work effectively. Compliance with significant regulations in workplace is maintained always. Health and safety is the key factor for us to promote the wellness of the employees.

Monthly appraisal

At OPL performance appraisal is carried out on a monthly basis to demonstrate their learning progress and assess their area of improvement. This is done with the motive of a succession planning so that OPL is able to create a pool of efficient and reliable employees.

Related risk

- People and talent
- Health and safety
- Corporate reputation

Related opportunity & outlook

- Opportunities for employee growth



Eco-friendly environment practices

Focus area with strategic plan

Capital linkage

- Natural
- Social and relation
- Financial

Stakeholder linkage

- Society
- Government and regulators
- Shareholders and investors

Eco-friendly staff practices

OPL implements sustainable business practices and also encourages employees to live a sustainable and 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.

Environment friendly production plan

OPL 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 air pollution and dust emission.

Efficient waste management

We have effective waste management systems in practice. Liquid waste or effluent are treated through ETP and then is used for washing machines or gardening at our plant. Solid waste are collected and disposed off in an eco-friendly way through incinerator.

Conservative use of natural resources

At OPL we ensure conservative use of natural resources. We always try to efficiently use natural gas, water and electricity. Details of these initiatives can be further seen in our "Natural capital". We have a day light saving lay-out and also use energy-saving bulbs. Many initiatives are undertaken inspired by the concept of paperless office.

Safe expired product destruction

We have effective expired products management systems in practice carried out through our ETP. The expired medicines are dissolved and treated through the ETP. The packaging materials are either sold to the third party or disposed off in an eco-friendly way.

Related risk

- Environmental consideration

Related opportunity & outlook

- Green initiatives

Opportunities & outlook

Propelled by the change in healthcare and disease patterns, increase in per capita income, easier access to medicine and health care professional, the demand, use or requirement of medicine will be increasing day by day, bringing new opportunities for growth in coming years.

Orion Pharma Limited continues to ensure that the system, process, and technology are aligned to the changing business environment and help us achieve strategic objectives. Along with strengthening our core business and our position in both existing and emerging markets through a differentiated portfolio, we are also poised to explore opportunities related to all other supporting business activities including incorporation of more sustainable and environmentally conscious policies into our operation.

01 State of art technology

Our first phase manufacturing block has the capability with optimum capacity of producing oral tablets, capsules, syrups, suspensions, pediatrics drops and other dosage forms with fully equipped independent Research & Development, Quality Control and Quality Assurance departments.

The upcoming multi production line will produce sterile injectable products which encompass critical to curative care medications in particular antibiotics, cardiovascular, neurological, gastroenterological, anesthesia, gynecological, nephrological, hematology etc. It will also have dedicated and separated steroid and non-steroidal topical cream & ointment facility with highly advanced-to-date manufacturing technology to pacify the wide range of skin related problems along with another two fully automation guided additional production lines: softgel capsule and powder for suspension (PFS).

The upcoming oncology facility will emerge as the innovation of engineering with updated medical science capable of producing world class medications to rejuvenate the hope for cancer patients. This devoted and high-containment manufacturing processing will ensure 100% isolations and guaranteed zero discharge technology for all possible dosage forms.

In accordance with the global standard, Orion's Cephalosporin block is going to gain the highest degree of scientific innovation-to-date for the anti-infective market. The prime directive focus is to manufacture cephalosporin products for all possible dosage form in separate and dedicated self-contained areas with auto prevention of all sorts of cross-contamination by in-built design.

02 Highest quality management standards in manufacturing plant

All the manufacturing blocks particularly the Oncology Manufacturing Block is the strategic facility of the Orion Pharma as its action will be on a global standard in satisfying company's export and local demand having strict accordance with highest quality management standards like US FDA and UK MHRA cGMP specifications.

03 Enhance specialized segment

OPL is working on developing branded generic drugs in specialty segments specifically in cephalosporin, ophthalmology, dietary supplement dermatology, and oncology, to address clinically unmet needs of the patients.

04 Post-sale product quality assurance

OPL already has Customer Complaint Form to respond to customers regarding any queries or services. We have also introduced pharmacovigilance to monitor and manage the safety of all medicines of the company. Till now no Adverse Effect (AE) has been reported and we target to achieve 0-AE report every month and are working towards maintaining it.

05 Entry in new emerging markets

OPL has a lot of potential in the international scenario as it is working to enter countries like Albania, Uzbekistan, Cameroon, Vietnam and Costa Rica, Nigeria, Brunei Darussalam, Ivory Coast, Egypt, Botswana, Namibia, Zambia, Zimbabwe, Uganda, Venezuela, China and Azerbaijan.

06 Adoption of good governance

OPL always abide by the law and conform to all regulatory bindings. Good governance holds that many perspectives combine to result in the best possible decision-making. We believe that there is no end to improvement in this sector and we still have more aspects where we have room for improvement.

07 Opportunities for employee growth

OPL focuses on employee engagement and inclusion to motivate and create room for employee growth. We believe that employees who are invested in their roles are more productive and the key to them being more involved is creating an inclusive culture. Our company is planning to do more in the future, especially for minorities and female employees so that they feel more engaged, as it is most essential to retain employees. The company also has a monthly appraisal system for employees where room for their development is identified and accordingly they are provided with various training facilities so that there is more scope of career growth of employees.

08 Green initiatives

During the last couple of years, OPL has adopted many initiatives that are environment friendly such as use of natural daylight, upgraded lighting system, conversion to a paperless office, conservative use of water & natural gas, reduced carbon emission. Liquid waste are treated through ETP and solid waste are disposed off through incinerator. We hope to make more efforts at building a more sustainable and green future.

Competitive edge with our value proposition

1

Strong foot step in cardiovascular drugs

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-Plus" and "ROVEX" 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 the in the cardiovascular market not only in Bangladesh but also in Myanmar market.

2

World leading generics in the product lines

Orion Pharma Ltd. has launched Rosuvastatin and Esomeprazole under the brand name "ROVEX" and "EXOR" respectively. Considering the brand potentiality and value, Orion Pharma Ltd. has kept these brands as highest promotional priority as flagship products. During the reporting year, the company launched Olmesartan & its combinations with brand name "OLMESAFE".

4

Front runner – 1st time in Bangladesh

Orion Pharma Ltd. is always keen to launch new and innovative product in Bangladesh. In Bangladesh Orion Pharma Ltd. have a good number of brands launched 1st time. "PEP", "EC-PLUS", "FRULAC", "ONIUM", "ALVE", "CEFDITOR", "MAROMAX", "NOVELTA", "DESLOR" and so on. Moreover Orion Pharma Ltd. has launched "TENDONIL" which is one and only in Bangladesh.

3

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 has been importing APIs from well recognized companies of Italy, USA, Denmark, Germany, Spain and so on. Not only that we have 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.

Stakeholder engagement strategy

Stakeholder analysis is critical for our success and we are aware that our actions and how we run 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.

Hence we have carefully identified and prioritized our stakeholders, their interest and concern through conducting impact analysis and developed best engagement mechanism as the way to respond to those identified interests and concerns. We believe that effective stakeholder management also means communicating with your stakeholders and understanding their needs by establishing a sound relationship, and make them feel trusted and relevant, successfully meeting project objectives.

Stakeholders	Why they are important	What matters to them	How we engage with them
 <p>Patients</p>	<ul style="list-style-type: none"> • Ultimate users • Final revenue source • Main source of sustainability of the business 	<ul style="list-style-type: none"> • Product quality • Availability of medicines • After sales service 	<ul style="list-style-type: none"> • Pharmacovigilance • Launching new products • Website • Product complaint form • Telemedicine • Orion Shastho Barta
 <p>Employees</p>	<ul style="list-style-type: none"> • Competent employees to attain objectives • Our image holder and contributor to profit 	<ul style="list-style-type: none"> • Job security • Transparent recruitment process • Periodic salary review in view of adjusting the cost of living • Healthy working environment • Training & development • Career growth 	<ul style="list-style-type: none"> • Adjusted salary package • Training and other facilities • Monthly performance reviews and appraisal • In-house awareness campaign • Medicine corner and doctor's chamber
 <p>Shareholders & Investors</p>	<ul style="list-style-type: none"> • Invest for the betterment and growth of the company • Accountable to them as they seek return on their investment 	<ul style="list-style-type: none"> • Return on investment • Sustainability and going concern issues • Effective corporate governance • Strategic objectives • Social and environmental contribution 	<ul style="list-style-type: none"> • Annual General Meeting • Integrated Annual Report • Regular repayment of debt and declaration of dividend • Financial statements quarterly, half yearly and yearly • Declaration of (PSI) • Website • Regular communication

Stakeholders	Why they are important	What matters to them	How we engage with them
 <p>Government & Regulators</p>	<ul style="list-style-type: none"> • Control and develop policy • Provide license and certificates • Control export and import 	<ul style="list-style-type: none"> • Legislative compliance • Corporate governance • Environmental and social credentials • Timely reporting and VAT, tax payment • Pricing • Product quality 	<ul style="list-style-type: none"> • Discussion, seminar and dialogue • Contribution to national exchequer • Conform to relevant laws and regulations and reporting to Government and regulatory bodies • Regular communication • Factory visit
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Supply production materials and operational facilities • On time delivery • Quality of supplied products • After sales service facility 	<ul style="list-style-type: none"> • Fair and smooth transaction • Sustainable growth of the company • Fair payment 	<ul style="list-style-type: none"> • Regular interaction • Supplier visit and audit • Timely payment to vendors
 <p>Society</p>	<ul style="list-style-type: none"> • Sustainable business operation • Social and environmental contribution 	<ul style="list-style-type: none"> • Ethical stance • Social value creation • Creation of employment opportunity • Environmental preservation • Health and safety measures 	<ul style="list-style-type: none"> • CSR initiatives • Website • Social awareness campaign • Integrated Annual Report • Social media
 <p>Doctors & Pharmacies</p>	<ul style="list-style-type: none"> • Influence prescription of our medicines • Directly impact our business • Information provider 	<ul style="list-style-type: none"> • Certification • Product quality • Availability of medicines • Diversified product portfolio • After sales service 	<ul style="list-style-type: none"> • Seminars, webinar, meetings and workshops • Orion Medical Journal • Regular ongoing visit by field force
 <p>Competitors</p>	<ul style="list-style-type: none"> • Influence strategic decisions and planning • Directly impact the ability to succeed 	<ul style="list-style-type: none"> • Financial performance • Business trends • Value creation for long run • Competitive advantage 	<ul style="list-style-type: none"> • Social media • Website • Integrated Annual Report

Five years' highlights consolidated

Amount in BDT million

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA					
Net sales revenue	9,661.61	10,832.57	7,647.70	8,705.17	10,423.10
Gross profit	1,974.20	2,639.52	2,577.84	2,545.68	2,376.20
Operating profit	727.83	1,556.14	835.31	1,041.78	965.18
Profit before tax	1,054.16	1,187.19	795.53	1,028.31	953.63
Net profit after tax	846.08	939.06	665.69	882.35	801.76
Earnings before interest, tax & depreciation (EBITDA)	1791.42	2,381.15	2,459.68	2,347.49	2,343.97
STATEMENT OF FINANCIAL POSITION DATA					
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	2,340.00
Shareholders' equity	19,312.52	18,662.73	17,963.72	17,594.35	17,054.21
Non-controlling interest	1,456.34	1,411.67	1,225.99	1,154.63	1,065.40
Total equity	20,768.86	20,074.41	19,189.71	18,748.98	18,119.61
Total non-current liabilities	17,901.49	16,251.13	13,204.08	8,150.48	7,081.93
Total current liabilities	9,436.69	6,007.55	4,447.32	4,090.96	5,513.16
Total non-current assets	29,352.47	26,110.02	19,094.53	18,714.58	18,413.93
Property, plant & equipment	13,826.41	14,219.82	14,930.94	12,937.53	13,144.23
Total current assets	18,754.57	16,223.07	17,746.58	12,275.84	12,300.76
Total assets	48,107.04	42,333.08	36,841.11	30,990.42	30,714.70
Net current assets/(liabilities)	9,317.88	10,215.51	13,299.26	8,184.88	6,787.61
FINANCIAL RATIOS					
Gross profit ratio (%)	20.43	24.37	33.71	29.24	22.80
Current ratio (times)	1.99	2.70	3.99	3.00	2.23
Debt equity ratio (times)	1.39	1.18	0.98	0.71	0.70
Return on equity (%)	4.07	4.68	3.47	4.71	4.42
Return on capital employed (%)	3.45	3.97	5.14	5.86	6.55
Price earnings ratio –DSE (times)	24.34	13.44	14.79	8.81	12.07
Price earnings ratio –CSE (times)	24.39	13.52	14.75	8.75	12.27
ORDINARY SHARES INFORMATION					
Face value per share (BDT)	10.00	10.00	10.00	10.00	10.00
Quoted price per share-DSE (BDT)	88.00	53.90	42.00	33.20	41.40
Quoted price per share-CSE (BDT)	88.20	54.20	41.90	33.00	42.10
Number of shares outstanding	23,40,00,000	23,40,00,000	234,000,000	234,000,000	234,000,000
Cash Dividend (%)	10.00*	12.00	10.00	15.00	15.00
Net asset value per share (BDT) (including revaluation surplus)	82.53	79.76	76.77	75.19	72.88
Net asset value per share (BDT) (excluding revaluation surplus)	74.62	71.79	68.69	66.98	64.55
Net operating cash flow per share (BDT)	4.96	11.04	8.04	6.19	9.38
Earnings per share (BDT)	3.62	4.01	2.84	3.77	3.43
Number of shareholders	33,593	34,976	35,481	30,171	34,515
OTHER INFORMATION					
Number of employees	2,791	2,654	2,696	2,743	2,527

* Proposed

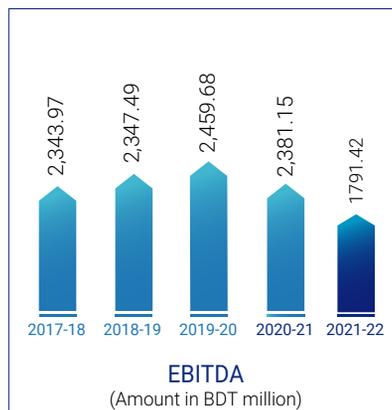
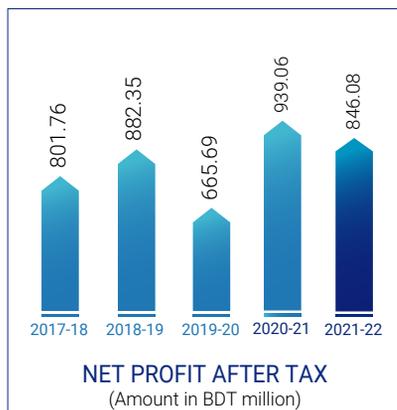
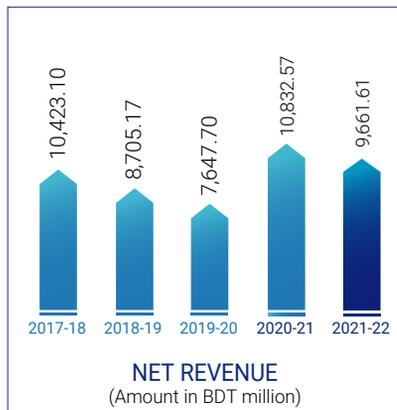
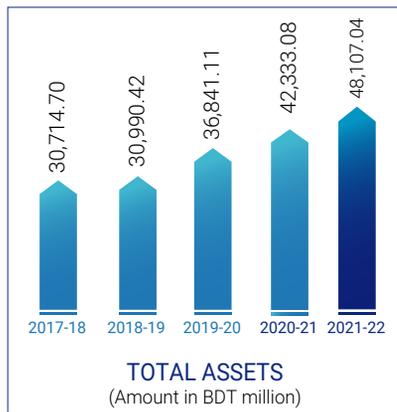
Horizontal & vertical analysis consolidated

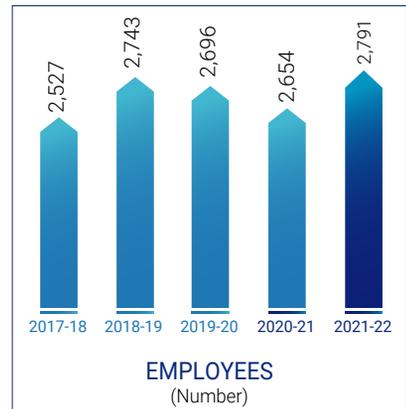
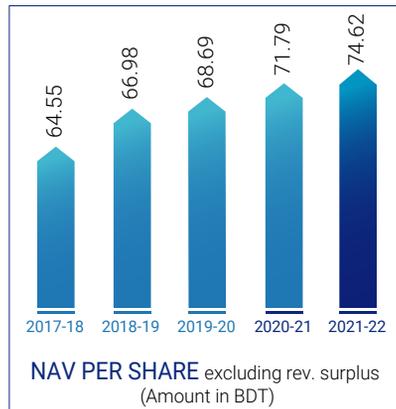
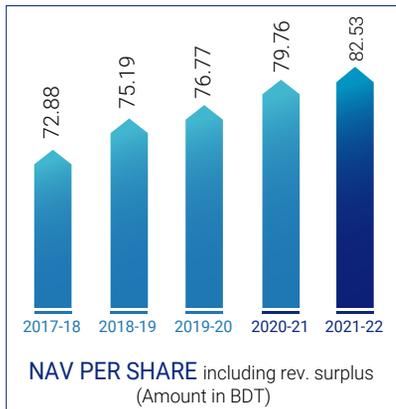
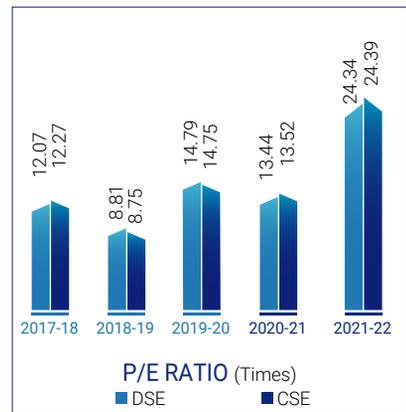
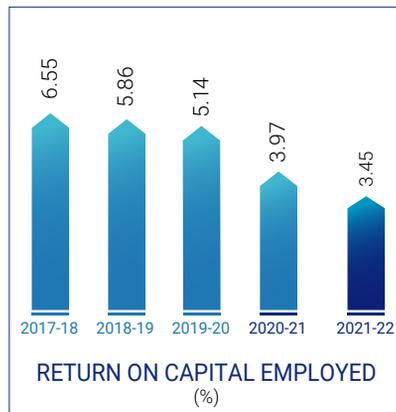
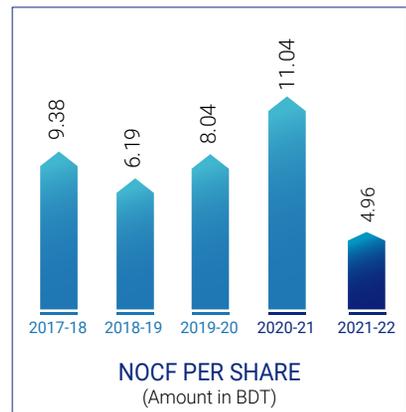
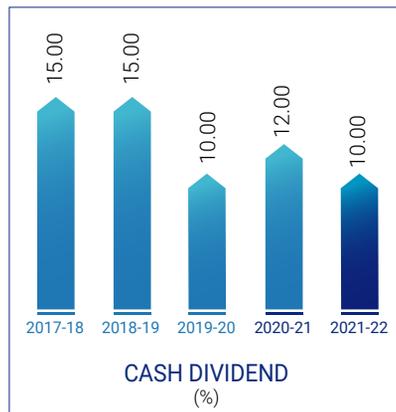
Horizontal	2021-22	2020-21	2019-20	2018-19	2017-18
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA					
Net sales revenue	93%	104%	73%	84%	100%
Gross profit	83%	111%	108%	107%	100%
Operating profit	75%	161%	87%	108%	100%
Profit before tax	111%	124%	83%	108%	100%
Net Profit after tax	106%	117%	83%	110%	100%
Earnings before interest, tax & depreciation	76%	102%	105%	100%	100%
Earnings per share*	105%	117%	83%	110%	100%
STATEMENT OF FINANCIAL POSITION DATA					
Paid up capital	100%	100%	100%	100%	100%
Shareholders' equity	113%	109%	105%	103%	100%
Non-controlling interest	137%	133%	115%	108%	100%
Total equity	115%	111%	106%	103%	100%
Total non-current liabilities	253%	229%	186%	115%	100%
Total current liabilities	171%	109%	81%	74%	100%
Total non-current assets	159%	142%	104%	102%	100%
Property, plant & equipment	100%	100%	100%	100%	100%
Total current assets	152%	132%	144%	100%	100%
Total assets	157%	138%	120%	101%	100%
Net current assets/(liabilities)	137%	151%	196%	121%	100%

Vertical	2021-22	2020-21	2019-20	2018-19	2017-18
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA					
Net sales revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Gross profit	20.43%	24.37%	33.71%	29.24%	22.80%
Operating profit	7.53%	14.37%	10.92%	11.97%	9.26%
Profit before tax	10.91%	10.96%	10.40%	11.81%	9.15%
Net Profit after tax	8.76%	8.67%	8.70%	10.14%	7.69%
Earnings before interest, tax & depreciation	18.54%	21.98%	32.16%	26.97%	22.49%
Earnings per share*	36.16%	40.10%	28.40%	37.70%	34.30%
STATEMENT OF FINANCIAL POSITION DATA					
Paid up capital	4.86%	5.53%	6.35%	7.55%	7.62%
Shareholders' equity	40.14%	44.09%	48.76%	56.77%	55.52%
Non-controlling interest	3.03%	3.33%	3.33%	3.73%	3.47%
Total equity	43.17%	47.42%	52.09%	60.50%	58.99%
Total non-current liabilities	37.21%	38.39%	35.84%	26.30%	23.06%
Total current liabilities	19.62%	14.19%	12.07%	13.20%	17.95%
Total non-current assets	61.01%	61.68%	51.83%	60.39%	59.95%
Property, plant & equipment	28.74%	33.59%	40.53%	41.75%	42.79%
Total current assets	38.99%	38.32%	48.17%	39.61%	40.05%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
Net current assets/(liabilities)	19.37%	24.13%	36.10%	26.41%	22.10%

* Earning per share has been shown as a percentage of book value per share

Graphical presentation consolidated





Orion Pharma Limited

Auditor's Report and Consolidated Financial Statements For the year ended 30 June, 2022

MALEK SIDDIQUI WALI

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মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস
৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
of
Orion Pharma Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Orion Pharma Limited and its subsidiaries (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 June 30, 2022, the 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 then ended, and notes to the Consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Risk	Our response
Revenue recognition	
At year end the Company reported total revenue of Tk. 2,995,167,358 and the Group, as a whole, reported total revenue of Tk. 9,661,609,862	We have tested the design and operating effectiveness of key controls focusing on the following:
Time of revenue recognition is matter. Considering the other inherent risk of the existence and the accuracy on revenue recognition, the revenue has been selected as key audit matter.	<ul style="list-style-type: none">• Policy of revenue recognition.• Issuance of VAT challan;• Segregation of duties in invoice creation and modification; and• Timing of revenue recognition.

Risk	Our response
	<p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
Please see the note no. 27 & 27.a in these financial statements.	
Valuation of inventory	
<p>At reporting date, the balance of inventory was Tk. 1,331,788,513 and Tk. 2,345,666,013 respectively for the Company and the Group.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Management has applied judgments in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • To attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • To review the inventory costing procedures and methodology. • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
Please see the note no. 11 & 11.a in these financial statements.	

Risk	Our response
Measurement and recognition of deferred tax	
<p>At reporting date, the balance of deferred tax liability was Tk. 122,246,457 for the both Company and the Group.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAS 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
Please see the note no. 22 in these financial statements.	
Consolidation of the financial statements	
<p>It is mentioned here that the Company has prepared and published consolidated financial statements of the group as whole by taking consideration of two subsidiary named Orion Power Meghnaghat Limited with 95% of controlling stake, Dutch Bangla Power & Associates Limited with 67% of controlling stake and one associate named Orion Infusion Limited with 21.76% stake.</p> <p>The key risk is that whether the consolidated financial statements of the company are prepared in compliance with IFRS 10: Consolidated Financial statements and IFRS 3: Business Combination and provide adequate disclosure in required standard.</p>	<p>We have obtained a good understanding of the structure of the group, the significance (ie materiality) of each component of the group, the mechanics of the consolidation process, and the risk of material misstatement presented by each of the company's financial statements. We have also established materiality level for the group in aggregate, and for the individually significant components. The types of audit procedures that was performed include:</p> <ul style="list-style-type: none"> • Checking that figures taken into the consolidation have been accurately extracted from the financial statements of the components. • Evaluating the classifications of the components of the group – for example, whether the components have been correctly identified and treated as subsidiaries, associates. • Reviewing the disclosures necessary in the group financial statements, such as related party transactions and minority interests. • Gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: <ul style="list-style-type: none"> ◆ Cancellation of inter-company balances and transactions ◆ Provision for unrealised profits, if any, as a result of inter-company transactions fair value adjustments needed for assets and liabilities held by the component.

Other Information

The other information comprises all of the information in the Annual Report other than the consolidated financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the consolidated financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the consolidated financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The 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 accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Malek Siddiqui Wali,
Chartered Accountants

Dated, Dhaka;
13 November 2022
Data Verification Code (DVC) No. 2211140247AS241141

Sd/-
Md. Waliullah, FCA
Enrolment No: 0247

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Financial Position
As at 30 June 2022

	Notes	Amount in Taka	
		30 June 2022	30 June 2021
Assets			
Non-current assets		29,352,468,375	26,110,018,103
Property, plant and equipment	5	13,826,413,931	14,219,821,108
Right of use assets	6	49,473,939	50,811,429
Construction work-in-progress	7	9,133,148,194	5,584,939,176
Investment in associate	9	386,739,000	303,455,000
Other investments	10	5,956,693,311	5,950,991,390
Current assets		18,754,570,672	16,223,065,351
Inventories	11	2,345,666,013	1,410,731,648
Trade and other receivables	12	14,905,340,747	12,401,457,500
Advances, deposits and prepayments	13	1,365,595,495	1,972,265,701
Fixed deposit with banks	14	31,833,589	23,616,354
Cash and cash equivalents	15	106,134,828	414,994,148
Total assets		48,107,039,047	42,333,083,454
Shareholder's equity and liabilities			
Shareholder's equity		19,312,524,742	18,662,734,883
Share capital	16	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	17	1,978,094,161	1,904,852,372
Retained earnings	18	6,977,538,555	6,400,990,484
Non - controlling interest	19	1,456,338,901	1,411,671,307
Total equity		20,768,863,643	20,074,406,190
Non-current liabilities		17,901,488,970	16,251,126,042
Provision for decommissioning of assets	Annexure-F	143,405,563	143,405,563
Long term loan	20	17,600,571,555	15,929,537,566
Lease obligation	21	35,265,395	39,898,633
Deferred tax liability	22	122,246,457	138,284,281
Current liabilities		9,436,686,434	6,007,551,222
Current portion of long term loan	20.2	387,466,840	274,326,280
Current portion of lease obligation	21.1	31,664,304	36,415,462
Short term loans	23	563,904,269	564,317,167
Trade and other payables	24	7,719,509,102	4,544,004,961
Employee benefits payable	25	131,388,616	97,229,950
Unclaimed/Unpaid Dividend		13,517,701	57,261,392
Accrued expenses	26	589,235,603	433,996,009
Total equity and liabilities		48,107,039,047	42,333,083,454
Number of shares used to compute NAV		234,000,000	234,000,000
Net asset value (NAV) including revaluation surplus		82.53	79.76
Net asset value (NAV) excluding revaluation surplus		74.62	71.79

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022
Data Verification Code (DVC) No. 2211140247AS241141

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED
Statement of Financial Position
As at 30 June 2022

	Notes	Amount in Taka	
		30 June 2022	30 June 2021
Assets			
Non-current assets		20,190,686,601	16,851,710,644
Property, plant and equipment	5a	7,449,132,157	7,746,013,649
Right of use assets	6	49,473,939	50,811,429
Construction work-in-progress	7	9,133,148,194	5,584,939,176
Investment in subsidiaries	8	1,017,000,000	1,017,000,000
Investment in associate	9	386,739,000	303,455,000
Other investments	10a	2,155,193,311	2,149,491,390
Current assets		10,070,289,890	9,810,320,511
Inventories	11a	1,331,788,513	390,689,523
Trade and other receivables	12a	7,800,159,206	7,563,464,801
Advances, deposits and prepayments	13a	816,094,952	1,631,943,130
Fixed deposit with banks	14	31,833,589	23,616,354
Cash and cash equivalents	15a	90,413,630	200,606,704
Total assets		30,260,976,491	26,662,031,155
Shareholder's equity and liabilities			
Shareholder's equity		12,878,578,498	12,412,193,719
Share capital	16	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	17a	1,612,623,288	1,536,805,467
Retained earnings	18a	909,063,184	518,496,227
Non-current liabilities		15,451,040,063	12,651,282,936
Long term loan	20a	15,293,528,211	12,473,100,022
Lease obligation	21	35,265,395	39,898,633
Deferred tax liability	22	122,246,457	138,284,281
Current liabilities		1,931,357,930	1,598,554,500
Current portion long term loan	20.a.1	387,466,840	274,326,280
Current portion of lease obligation	21.1	31,664,304	36,415,462
Short term loans	23	563,904,269	564,317,167
Trade and other payables	24.a	390,344,399	301,960,481
Employee benefits payable	25.a	50,868,462	28,113,432
Unclaimed/Unpaid Dividend		13,517,701	57,261,392
Accrued expenses	26.a	493,591,956	336,160,285
Total shareholder's equity and liabilities		30,260,976,491	26,662,031,155
Number of shares used to compute NAV		234,000,000	234,000,000
Net asset value (NAV) including revaluation surplus		55.04	53.04
Net asset value (NAV) excluding revaluation surplus		49.19	47.16

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022
Data Verification Code (DVC) No. 2211140247AS241141

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	Amount in Taka	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Revenue from net sales	27	9,661,609,862	10,832,568,048
Cost of goods sold	28	(1,350,132,809)	(1,156,582,051)
Cost of power generation	29	(6,337,279,961)	(7,036,463,057)
Gross profit		1,974,197,092	2,639,522,940
Operating expenses		(1,246,369,914)	(1,083,385,937)
General and administrative expenses	30	(461,191,722)	(403,632,976)
Selling and distribution expenses	31	(785,178,192)	(679,752,961)
Profit from operation		727,827,178	1,556,137,003
Financial expenses	32	(274,176,210)	(354,939,890)
Interest and other income	33	653,218,351	45,352,180
Net profit from operation		1,106,869,319	1,246,549,292
Workers profit participation fund		(52,708,063)	(59,359,490)
Net profit before tax		1,054,161,256	1,187,189,803
Income tax		(172,712,550)	(68,513,811)
Current tax expenses	34	(187,979,580)	(72,485,264)
Deferred tax income/(expense)	22.1	15,267,031	3,971,453
Net profit after tax		881,448,706	1,118,675,992
Share of profit from associate	9	9,303,000	6,069,100
Net profit after tax		890,751,706	1,124,745,092
Less: Non controlling interest	19	(44,667,594)	(185,680,896)
Net profit attributable to ordinary shareholders		846,084,112	939,064,196
Other comprehensive income		84,583,861	(11,976,285)
Fair value gain/(loss) on marketable securities		5,402,068	5,255,477
Fair value gain/(loss) on investment in associates		78,165,716	(18,234,172)
Share of other comprehensive income of associate		245,284	647,072
Deferred tax income/(expenses) on revaluation surplus of PPE & fair value changes in marketable securities		770,793	355,339
Total comprehensive income attributable to ordinary shareholders		930,667,972	927,087,911
Earning per share (EPS)	35	3.62	4.01

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	Amount in Taka	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Revenue from net sales	27a	2,995,167,358	2,612,321,217
Cost of goods sold	28	(1,350,132,809)	(1,156,582,051)
Gross profit		1,645,034,549	1,455,739,166
Operating expenses		(1,196,418,234)	(1,024,467,443)
General and administrative expenses	30a	(411,240,042)	(344,714,482)
Selling and distribution expenses	31	(785,178,192)	(679,752,961)
Profit from operation		448,616,315	431,271,723
Financial expenses	32a	(104,622,444)	(111,678,509)
Interest and other income	33	523,399,140	45,352,180
Net profit from operation		867,393,010	364,945,395
Workers profit participation fund		(41,304,429)	(17,378,352)
Net profit before tax		826,088,581	347,567,044
Income tax		(172,712,550)	(68,513,811)
Current tax expenses	34	(187,979,580)	(72,485,264)
Deferred tax income/(expense)	22.1	15,267,031	3,971,453
Net profit after tax		653,376,032	279,053,230
Share of profit from associate	9	9,303,000	6,069,100
Net profit after tax		662,679,032	285,122,331
Other comprehensive income		84,583,861	(11,976,284)
Fair value gain/(loss) of marketable securities		5,402,068	5,255,477
Fair value gain/(loss) on investment in associates		78,165,716	(18,234,172)
Share of other comprehensive income of associate		245,284	647,072
Deferred tax income/(expenses) on revaluation surplus of PPE & fair value changes of marketable securities		770,793	355,339
Total comprehensive income attributable to ordinary shareholders		747,262,892	273,146,046
Earning per share (EPS)	35a	2.83	1.22

The annexed notes form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in Taka						
	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Sub Total	Non-Controlling Interest	Total
Balance as at 01 July 2021	2,340,000,000	8,016,892,026	1,904,852,372	6,400,990,484	18,662,734,882	1,411,671,307	20,074,406,190
Net profit after Tax	-	-	-	846,084,112	846,084,112	44,667,594	890,751,706
Fair value gain/(loss) on investment in associates	-	-	78,165,716	-	78,165,716	-	78,165,716
Dividend for the year 2020-2021	-	-	-	(280,800,000)	(280,800,000)	-	(280,800,000)
Adjustment for sale of marketable securities	-	-	(78,114)	-	(78,114)	-	(78,114)
Fair value gain/(loss) on marketable securities	-	-	5,402,068	-	5,402,068	-	5,402,068
Share of other comprehensive income of associate	-	-	245,284	-	245,284	-	245,284
Adjustment for deferred tax on revaluation surplus	-	-	770,793	-	770,793	-	770,793
Depreciation on revaluation surplus	-	-	(11,263,959)	11,263,959	-	-	-
Balance as at 30 June 2022	2,340,000,000	8,016,892,026	1,978,094,161	6,977,538,555	19,312,524,742	1,456,338,901	20,768,863,643

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Amount in Taka						
	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Sub Total	Non-Controlling Interest	Total
Balance as at 01 July 2020	2,340,000,000	8,016,892,026	1,936,593,119	5,670,236,252	17,963,721,397	1,225,990,411	19,189,711,808
Net profit after tax	-	-	-	939,064,196	939,064,196	185,680,896	1,124,745,092
Fair value gain/(loss) on investment in associates	-	-	(18,234,172)	-	(18,234,172)	-	(18,234,172)
Dividend for the year 2019-2020	-	-	-	(234,000,000)	(234,000,000)	-	(234,000,000)
Adjustment for sale of marketable securities	-	-	5,925,574	-	5,925,574	-	5,925,574
Fair value gain/(loss) on marketable securities	-	-	5,255,477	-	5,255,477	-	5,255,477
Share of other comprehensive income	-	-	647,072	-	647,072	-	647,072
Adjustment for deferred tax on revaluation surplus	-	-	355,339	-	355,339	-	355,339
Adjustment for depreciation on revaluation surplus	-	-	(25,690,036)	25,690,036	-	-	-
Balance as at 30 June 2021	2,340,000,000	8,016,892,026	1,904,852,372	6,400,990,484	18,662,734,883	1,411,671,307	20,074,406,190

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
 13 November 2022

Sd/-
 Md. Waliullah FCA
 Enrollment No: 0247

ORION PHARMA LIMITED
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in Taka				
	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
Balance as at 01 July 2021	2,340,000,000	8,016,892,026	1,536,805,467	518,496,227	12,412,193,719
Net profit after tax	-	-	-	662,679,032	662,679,032
Dividend for the period 2020-2021	-	-	-	(280,800,000)	(280,800,000)
Fair value gain/(loss) on investment in associates	-	-	78,165,716	-	78,165,716
Share of other comprehensive income of associate	-	-	245,284	-	245,284
Adjustment for sale of marketable securities	-	-	(78,114)	-	(78,114)
Fair value gain/(loss) on marketable securities	-	-	5,402,068	-	5,402,068
Adjustment for deferred tax on revaluation surplus	-	-	770,793	-	770,793
Adjustment for depreciation on revaluation surplus	-	-	(8,687,926)	8,687,926	-
Balance as at 30 June 2022	2,340,000,000	8,016,892,026	1,612,623,288	909,063,184	12,878,578,498

Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Amount in Taka				
	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
Balance at 01 July 2020	2,340,000,000	8,016,892,026	1,552,679,134	457,550,939	12,367,122,098
Net profit after tax	-	-	-	285,122,331	285,122,331
Dividend for the period 2019-2020	-	-	-	(234,000,000)	(234,000,000)
Fair value gain/(loss) on investment in associates	-	-	(18,234,172)	-	(18,234,172)
Share of other comprehensive income from associates	-	-	647,072	-	647,072
Adjustment for sale of marketable securities	-	-	5,925,574	-	5,925,574
Fair value gain/(loss) on marketable securities	-	-	5,255,477	-	5,255,477
Adjustment for deferred tax on revaluation surplus	-	-	355,339	-	355,339
Adjustment for depreciation on revaluation surplus	-	-	(9,822,957)	9,822,957	-
Balance as at 30 June 2021	2,340,000,000	8,016,892,026	1,536,805,467	518,496,227	12,412,193,719

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Consolidated Statement of Cash Flows
For the year ended 30 June 2022

	Notes	Amount in Taka	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
A. Cash flows from operating activities			
Cash received from customers and others		6,808,577,312	9,551,157,134
Cash paid to suppliers and others		(4,527,030,442)	(5,932,681,805)
Cash payment for operating expenses		(1,024,045,359)	(986,041,043)
Cash generated from operations		1,257,501,510	2,632,434,286
Income taxes paid		(95,729,413)	(40,912,082)
Net cash (used in)/ provided by operating activities	36	1,161,772,097	2,591,522,205
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(169,575,891)	(34,112,604)
Capital work-in-progress		(2,497,220,500)	(4,242,767,498)
Investment in securities and others		(377,968)	4,061,923
Investment in subsidiaries, associate and others		(379,312,445)	(1,632,922,181)
Investment in FDR		(8,217,235)	(4,033,255)
Interest, dividend & other income		19,682,774	45,443,868
Net cash (used in)/ provided by investing activities		(3,035,021,265)	(5,864,329,747)
C. Cash flows from financing activities			
Proceed from/(repayment of) long term loan		1,784,174,549	3,130,829,635
Proceed from/(repayment of) short term loan		387,979,584	392,271,573
Payment of lease obligation		(33,660,609)	(40,630,451)
Interest paid		(249,559,985)	(488,680,191)
Dividend paid		(324,543,691)	(340,167,203)
Net cash (used in)/ provided by financing activities		1,564,389,847	2,653,623,363
Net cash increase/(decrease) during the year (A+B+C)		(308,859,320)	(619,184,180)
Cash & cash equivalents at the beginning of the year		414,994,148	1,034,178,328
Cash & cash equivalents at the end of the year		106,134,828	414,994,148
Net operating cash flows per share (NOCFPS)	36.1	4.96	11.07

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED
Statement of Cash Flows
For the year ended 30 June 2022

Notes	Amount in Taka	
	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
A. Cash flows from operating activities:		
Cash received from customers and others	2,974,320,623	2,606,854,862
Cash paid to suppliers and others	(1,293,652,326)	(1,083,378,785)
Cash payment for operating expenses	(1,024,045,359)	(986,041,043)
Cash generated from operations	656,622,937	537,435,034
Income taxes paid	(95,729,413)	(40,912,082)
Net cash (used in)/ provided by operating activities	560,893,524	496,522,953
B. Cash flows from investing activities:		
Acquisition of property, plant & equipment	(168,987,247)	(30,757,874)
Capital work in progress	(2,497,220,500)	(4,242,767,498)
Investment in securities and others	(377,968)	4,061,923
Investment in subsidiaries, associates and others	(379,312,445)	(1,632,922,181)
Proceeds from investment in FDR	(8,217,235)	(4,033,255)
Interest, dividend & other income	19,682,774	45,443,868
Net cash (used in)/ provided by investing activities	(3,034,432,621)	(5,860,975,018)
C. Cash Flows from Financing Activities:		
Proceed from/(repayment of) long term loan	2,933,568,749	5,558,072,525
Proceed from/(repayment of) short term loan	(412,898)	(1,678,554)
Repayment of finance lease obligation	(33,660,609)	(40,630,451)
Interest paid	(211,605,529)	(240,895,758)
Dividend paid	(324,543,691)	(340,167,203)
Net cash (used in)/ provided by financing activities	2,363,346,021	4,934,700,558
Net cash increase/decrease during the year (A+B+C)	(110,193,075)	(429,751,507)
Cash & cash equivalents at the beginning of the year	200,606,704	630,358,211
Cash & cash equivalents at the end of the year	90,413,630	200,606,704
Net operating cash flows per share (NOCFPS)	2.40	2.12

36a.1

Sd/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

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

Malek Siddiqui Wali, Chartered Accountants

Dated, Dhaka;
13 November 2022

Sd/-
Md. Waliullah FCA
Enrollment No: 0247

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Notes, Comprising a Summary of Significant Accounting Policies and
Other Explanatory Information
For the year ended 30 June 2022

1. Reporting entity

1.1 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 was listed both with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 20 March 2013.

1.2 Nature of business

Orion Pharma Limited is engaged in the creation and discovery, development, manufacturing and marketing of pharmaceutical products including vaccines and health-related consumer products.

1.3 Subsidiary companies

1.3.1 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. Orion Pharma Ltd. Holds 95% of equity share of this company directly.

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 five (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. The contract then expired on 07 May 2021. The government renewed the contract for two (2) years effective from 24 March 2022 vide memo no – 27.11.0000.101.14.020.22-1697 dated: 10 April 2022. The purpose of this contract is to supply of Net Energy Output, under the terms and conditions provided "No Electricity, No Payment and also without any guaranteed Minimum Off-take" basis by Rental Power Company by BPDB.

1.3.2 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 was 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. Orion Pharma Ltd. Holds 67% of equity share of this company.

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 five (5) years commencing from July 21, 2011. The contract has been extended for further five (5) years effective from 22 July 2016 vide memo no- 27.00.0000.071.14.122.2010.534 dated 01 December 2016. The contract then expired on 22 July 2021. The government renewed the contract for two (2) years effective from 24 March 2022 vide memo no - 27.11.0000.101.14.020.22-1696 dated: 10 April 2022. The purpose of this contract is to supply of Net Energy Output, under the terms and conditions provided "No Electricity, No Payment and also without any guaranteed Minimum Off-take" basis by Rental Power Company by BPDB.

1.4 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 sponsor shareholders, foreign investors, financial institutions and general public.

The Company was listed with Dhaka Stock Exchange Limited (DSE) on 05 October 1994 and Chittagong Stock Exchange Limited (CSE) on 22 September 1996. Orion Pharma Ltd. Holds 21.76 % of equity share of this company directly.

2. Basis of preparation and presentation of financial statements

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, Securities and Exchange Rules 1987 and other relevant local laws as applicable.

2.2 Components of the Consolidated financial statements

According to IAS-1 "Presentation of Financial Statements", the complete set of Consolidated financial statements includes the following components-

- i. Statement of Consolidated Financial Position as at 30 June 2022,
- ii. Statement of Consolidated Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022,
- iii. Statement of Consolidated Changes in Equity for the year ended 30 June 2022,
- iv. Statement of Consolidated Cash Flows for the year ended 30 June 2022, and
- v. Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended 30 June 2022.

2.3 Basis of measurement

The Consolidated 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.

2.4 Functional and presentation currency

The Consolidated 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 presented in BDT.

2.5 Comparative information

Comparative information has been disclosed in respect of year 01 July 2020 to 30 June 2021 for all numerical information in the Consolidated financial statements and also the narrative, descriptive and rearrange of information where it is relevant for understanding of the current year's financial statements.

2.6 Reporting period

The financial year of the parent and subsidiary companies cover one year from 1 July 2021 to 30 June 2022.

2.7 Use of estimates and judgments

The preparation of Consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) 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 IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.8 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 Consolidated statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore.

2.9 Going concern review

As per IAS-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 Consolidated financial statements.

2.10 Date of authorization

The financial statements were authorized for issue by the Board of Directors in its meeting held on 13 November 2022.

2.11 Corporate accounting standards practiced

The following IASs are applicable to the financial statements for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 27	Separate financial statements
IAS 28	Investments in Associates and Joint Ventures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets

The following IFRSs are applicable to the financial statements for the year under review:

IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 12	Disclosure of Interests in other Entities
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

3. Significant accounting policies

The accounting policies set out below are consistent with those used in the previous year. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Orion Pharma Limited.

3.1 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 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 frame-work of International Financial Reporting Standards (IFRSs).

3.2 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 IAS 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 recognition criteria are met.

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 of an assets begins when it is available for use under reducing balance method. Depreciation is charged on all PPE except land and land developments at the following rates:

Particulars of Assets	Rate of Depreciation
Factory & office Building	5%, 10%
Plant & machinery	15%
Furniture and fixtures	10%
Vehicles	20%
Office equipment	15%
Laboratory equipment	15%
Road & road development	2%

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	Carrying amount of the 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 & Machinery				130,512,146	177,645,275	47,133,129
Total				1,442,704,410	2,716,543,911	1,273,839,501

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 date to determine whether there is any indication of impairment loss as per IAS 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.

3.3 Leases

The Group identifying a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

The right of use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

Depreciation have charged on right to use assets on straight line basis over the lease period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate

3.4 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.

3.5 Inventories

Inventories are included in the financial statements at the lower of cost (including raw materials, direct labor, other direct costs and related production overheads) and net realizable value. Cost is generally determined on a first in, first out basis.

3.6 Investment in associates

An entity in which an investor has significant influence but which is neither a subsidiary nor an interest in a joint venture is classified as investment in associates. Equity Method has been followed in accordance with IAS 28 "Investments in Associates and Joint Ventures".

3.7 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 IFRS 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 intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

3.8 Earnings per share (EPS)

The company calculates Earning Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of The Statement of Profit or Loss and Other Comprehensive Income and the computation of EPS is stated in Note - 35 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 have 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.

3.9 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 IAS 21: The Effects of Changes in Foreign Exchange Rates.

- Foreign currency monetary items are translated using the closing rate.
- 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.
- 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

Recognized provident fund (RPF)

Permanent 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)

WPPF charged @ 5% of net profit before tax as per labour Act 2006 (Amended in 2013), whereas 80% is allocated to "Worker's profit participation fund", 10% to "Worker's welfare fund" and 10% to "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

3.12.1 Financial assets

Investment in shares

The Group has elected to designate equity investments as measured at Fair Value through Other Comprehensive Income (FVTOCI). They are initially recorded at fair value plus transaction costs and then remeasured at subsequent reporting dates to fair value. Unrealized gains and losses are recognized in other comprehensive income.

Dividends on equity investments and distributions from funds are recognized in the statement of profit or loss and other comprehensive income when the Group's right to receive payment is established.

Investment in fixed deposit receipt

Fixed deposit, comprising funds held with banks and other financial institutions, are initially measured at fair value, plus direct transaction costs, and are subsequently measured at amortized cost using the effective interest method at each reporting date. Changes in carrying value are recognized in profit.

Trade receivables

Trade receivables are measured in accordance with the business model under which each portfolio of trade receivable is held. The Group has a portfolio of trade receivables that is being managed within a business model whose objective is to collect contractual cash flows, and are measured at amortized cost. Trade receivables measured at amortized cost are carried at the original invoice amount less allowance for expected credit losses.

Expected credit losses are calculated in accordance with the simplified approach permitted by IFRS 9, using a provision matrix applying lifetime historical credit loss experience to the trade receivables. The expected credit loss rate varies depending on whether and the extent to which settlement of the trade receivables is overdue and it is also adjusted as appropriate to reflect current economic conditions and estimates of future conditions. For the purpose of determining credit loss rates, customers are classified into groupings that have similar loss patterns. The key drivers of the loss rate are the nature of the business unit and the location and type of customer.

When a trade receivable is determined to have no reasonable expectation of recovery it is written off, firstly against any expected credit loss allowance available and then to the income statement. Subsequent recoveries of amounts previously provided for or written off are credited to the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and financial institutions, and highly liquid investments with maturities of three months or less when acquired. They are readily convertible into known amounts of cash and are held at amortized cost under the hold to collect classification, where they meet the hold to collect "solely payments of principals and interests" test criteria under IFRS 9. Those not meeting these criteria are held at fair value through profit and loss.

3.12.2 Financial liabilities

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortized cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognized as a charge to the statement of profit or loss and other comprehensive income over the period of the relevant borrowing.

Trade payables

Trade payables are recognized initially at fair value. Subsequent to initial recognition they are measured at amortized cost using the effective interest method.

3.12.3 Impairment of financial assets

IFRS 9 requires an expected credit loss (ECL) model to be applied to financial assets rather than the incurred credit loss model required under IAS 39. The expected credit loss model requires the Group to account for expected losses as a result of credit risk on initial recognition of financial assets and to recognize changes in those expected credit losses at each reporting date. The Group recognizes a loss allowance on trade receivables based on lifetime expected credit losses.

3.13 Operating segments

No geographical segment reporting is applicable for the company as required by IFRS 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 IAS-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 IAS-7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.15 Related party disclosures

As per IAS-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 note-38 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 2022 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 Statement of Profit or Loss and Other Comprehensive Income. 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 probable 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 IAS-37. Contingent assets and contingent liabilities are not recognized in the financial statements.

3.18 Events after the reporting period

As per IAS-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 have been given in note- 41 in the financial statements.

4 Risk exposure

4.1 Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The company maintains low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

4.2 Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

4.3 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.

4.4 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.

4.5 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.

4.6 Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to its obligations on time or at a reasonable price.

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.

5. Property, plant and equipment

Opening balance
Add: Addition during the year
Less: Sale /disposal during the year

Less: Depreciation charged during the year

Written down value

Details have been presented in Annexure - A.1

5a. Property, plant and equipment

Opening balance
Add: Addition during the year
Less: Sale /disposal during the year

Less: Depreciation charged during the year

Written down value

Details have been presented in Annexure - A.2

6. Right of use assets

Opening Balance
Add: Addition during the year

Less: Disposal/ adjustment

Opening balance
Addition during the year

Less: Depreciation charged during the year

Details have been shown in Annexure - B

7. Construction work in progress

Opening balance
Add: Addition during the year
Closing balance

8. Investment in subsidiaries

Name of the subsidiary company	Number of shares	Share holding (%)		Amount in Taka	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Orion Power Meghnaghat Ltd.	95,000,000	95.00	95.00	950,000,000	950,000,000
Dutch Bangla Power & Associates Ltd.	6,700,000	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.

9. Investment in associate**Orion Infusion Limited**

Opening balance
Add: Share of profit during the year
Less: Dividend during the year
Add: Share of other comprehensive income
Add: Fair value adjustment

Amount in Taka	
30 June 2022	30 June 2021
14,219,821,108	14,930,942,237
83,427,459	279,081,475
(4,000,100)	-
14,299,248,468	15,210,023,712
(472,834,536)	(990,202,605)
13,826,413,931	14,219,821,108
7,746,013,649	7,860,572,660
82,838,815	275,726,745
(4,000,100)	-
7,824,852,364	8,136,299,405
(375,720,207)	(390,285,756)
7,449,132,157	7,746,013,649
106,698,236	77,807,019
24,276,213	31,689,566
130,974,449	109,496,585
-	(2,798,349)
130,974,449	106,698,236
55,886,807	27,459,166
25,613,703	28,427,641
81,500,510	55,886,807
49,473,939	50,811,429
5,584,939,176	1,651,460,156
3,548,209,017	3,933,479,021
9,133,148,194	5,584,939,176

303,455,000	319,403,000
9,303,000	6,069,100
(4,430,000)	(4,430,000)
245,284	647,072
78,165,716	(18,234,172)
386,739,000	303,455,000

		Amount in Taka	
		30 June 2022	30 June 2021
10. Other investment			
	Investment in marketable securities (Note 10.1)	34,952,635	29,250,714
	Investment in non-Quoted Shares (Note 10.2)	5,921,740,676	5,921,740,676
		5,956,693,311	5,950,991,390
10.1 Investment in marketable securities			
	AB Investment Limited.	17,758,600	16,564,154
	Bank Asia Securities Limited.	7,426,205	5,358,524
	LankaBangla Securities Ltd.	9,767,830	7,328,036
		34,952,635	29,250,714
	Details have been presented in Annexure - C		
10.2 Investment in non-quoted shares			
	Orion Power Khulna Limited.	500,000	500,000
	Orion Power Dhaka Limited.	500,000	500,000
	ICB Islami Bank Limited	246,000	246,000
	Orion Infrastructure Limited.	2,117,209,676	2,117,209,676
	Energion Renewable (BD) Ltd.	1,500,000	1,500,000
	Orion Power Unit - 2 Dhaka Ltd.	3,801,785,000	3,801,785,000
		5,921,740,676	5,921,740,676
10.a Other investment			
	Investment in marketable securities (Note 10a.1)	34,952,635	29,250,714
	Investment in non-Quoted Shares (Note 10a.2)	2,120,240,676	2,120,240,676
		2,155,193,311	2,149,491,390
10a.1 Investment in marketable securities			
	AB Investment Limited.	17,758,600	16,564,154
	Bank Asia Securities Limited.	7,426,205	5,358,524
	Lanka Bangla Securities Ltd.	9,767,830	7,328,036
		34,952,635	29,250,714
	Details have been presented in Annexure - C		
10a.2 Investment in non-quoted shares			
	Orion Power Khulna Limited.	500,000	500,000
	Orion Power Dhaka Limited.	500,000	500,000
	ICB Islami Bank Limited	246,000	246,000
	Orion Infrastructure Limited.	2,117,209,676	2,117,209,676
	Orion Power Unit - 2 Dhaka Ltd.	1,785,000	1,785,000
		2,120,240,676	2,120,240,676
11. Inventories			
	Raw materials	336,815,123	153,608,779
	Packing materials	101,676,205	43,386,793
	Work-in-process	26,026,206	31,834,113
	Finished goods	120,192,373	92,875,945
	Printing Stationeries	17,082,726	8,316,971
	Promotional materials	12,040,492	14,322,674
	Materials in transit	721,816,897	46,344,248
	Spare parts	601,362,242	613,524,380
	Inventory HFO & LFO	408,653,749	406,517,746
		2,345,666,013	1,410,731,648
11.a Inventories			
	Raw materials	336,815,123	153,608,779
	Packing materials	101,676,205	43,386,793
	Work-in-process	26,026,206	31,834,113
	Finished goods	120,192,373	92,875,945
	Printing stationeries	17,082,726	8,316,971
	Promotional materials	12,040,492	14,322,674
	Materials in transit	717,955,388	46,344,248
		1,331,788,513	390,689,523

12. Trade & other receivables

Trade receivables
Other receivables (Note-12.1)

Amount in Taka	
30 June 2022	30 June 2021
6,796,180,596	3,943,148,046
8,109,160,151	8,458,309,454
14,905,340,747	12,401,457,500

Trade receivables are unsecured, considered good and recoverable within one year. Classification schedules as required by schedule XI of Companies Act 1994 are as follows:

Ageing of the above balance is as follows:

Below 180 days

Above 180 days

6,796,180,596	3,943,148,046
-	-
6,796,180,596	3,943,148,046

SL. No.	Particulars	Amount in Taka	
		30 June 2022	30 June 2021
I	Trade receivables considered good in respect of which the company is fully secured	6,796,180,596	3,943,148,046
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	6,796,180,596	3,943,148,046

As on 30 June 2022 the company did not make any provision on the trade receivable as was no indication of impairment.

12.1 Other receivables

Claim receivables, insurance & others

Divided receivable

Interest on FDR

Other receivables

Current account with other related companies (Note. 12.1.1)

6,035,905	4,709,338
4,430,000	4,430,000
522,317	289,684
1,230,374,877	816,658,511
6,867,797,052	7,632,221,921
8,109,160,151	8,458,309,454

12.1.1 Current account with other related companies

Noakhali Gold Food Ltd.

Orion Properties Ltd.

Orion Gas Limited

Orion Power Khulna Ltd.

Orion Power Dhaka Ltd.

Jafflong Tea Company

Orion Agro Product Ltd.

Interior Accom Consortium Limited

Digital Power & Associate Ltd.

Orion Footwear Ltd.

Orion Oil & Shipping Ltd.

Panbo Bangla Mashroom Ltd.

Orion Power Unit 2 Dhaka Ltd.

Orion Home Appliance Ltd.

Orion Hospitals Ltd.

Orion Power Rupsha Ltd.

Energon Renewable (BD) Ltd.

Orion Quaderia Textiles Limited

Orion Tea Company Ltd

Orion Natural Care Ltd.

10,859,928	10,859,928
22,101,089	22,101,089
83,988,384	49,200,000
986,021,913	986,021,913
2,262,265,128	2,261,945,784
2,408,371	2,408,371
251,418,758	240,118,758
74,629,265	74,838,459
764,666,015	678,701,956
122,162,162	108,662,162
-	156,023,852
32,500,000	-
1,062,410,312	1,518,974,228
117,807,496	117,848,000
22,700,000	17,500,000
82,722,069	264,322,069
618,527,731	914,260,353
130,000,000	130,000,000
141,823,431	-
78,785,000	78,435,000
6,867,797,052	7,632,221,921

12.a Trade & other receivables

Trade receivables
Other receivables (Note - 12a.1)

Amount in Taka	
30 June 2022	30 June 2021
181,873,519	161,026,784
7,618,285,687	7,402,438,017
7,800,159,206	7,563,464,800

Trade receivables are unsecured, considered good and recoverable within one year. Classification schedules as required by schedule XI of Companies Act 1994 are as follows:

Ageing of the above balance is as follows:

Below 180 days

Above 180 days

181,873,519	161,026,784
-	-
181,873,519	161,026,784

SL. No.	Particulars	Amount in Taka	
		30 June 2022	30 June 2021
I	Trade receivables considered good in respect of which the company is fully secured	181,873,519	161,026,784
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	181,873,519	161,026,784

As on 30 June 2022 the company did not make any provision on the trade receivable as was no indication of impairment.

12a.1 Other receivables

Claim receivables, insurance & others
Divided receivable
Interest on FDR
Other receivables
Current account with subsidiaries (12a.1.1)
Current account with other related companies (12a.1.2)

6,035,905	4,709,338
4,430,000	4,430,000
522,317	289,684
1,230,374,877	726,658,511
372,395,908	369,895,908
6,004,526,680	6,296,454,575
7,618,285,687	7,402,438,017

12a.1.1 Current account with subsidiaries

Dutch Bangla Power & Associates Limited.

372,395,908	369,895,908
372,395,908	369,895,908

12a.1.2 Current account with other related companies

Orion Properties Ltd.
Orion Power Khulna Ltd.
Orion Power Dhaka Ltd.
Interior Accom Consortium Ltd.
Orion Agro Product Ltd.
Orion Power Unit -2 Dhaka Ltd.
Orion Power Rupsha Ltd.
Digital Power & Associates Ltd.
Orion Hospitals Ltd.
Energon Renewables (BD) Ltd.
Orion Home Appliances Ltd.
Orion Natural Care Ltd.
Orion Gas Ltd.
Panbo Bangla Mushroom Ltd
Orion Footwear Ltd.
Orion Tea Company Ltd
Orion Power Sonargaon Ltd

20,331,532	20,331,532
986,021,913	986,021,913
2,176,336,879	2,176,293,707
107,786,265	107,995,459
243,565,920	232,265,920
1,172,348,130	1,358,708,776
3,300,000	186,800,000
181,911,496	97,341,915
17,700,000	12,700,000
633,827,731	929,560,353
110,000,000	110,000,000
78,785,000	78,435,000
34,788,384	-
32,500,000	-
13,500,000	-
141,823,431	-
50,000,000	-
6,004,526,680	6,296,454,575

		Amount in Taka	
		30 June 2022	30 June 2021
13.	Advances, deposits and prepayments		
	Advances:		
	Advance income tax (Note-13.1)	210,375,679	166,583,988
	Advance imprest money	117,500	85,000
	Advance motor cycle	7,969,236	13,884,063
	Advance - car loan	1,255,264	2,230,896
	Collection advance	8,172,329	4,188,731
	Advance to C&F agents	336,261	3,864,512
	Advance office rent	5,167,798	5,560,830
	Advance against land purchase	87,260,635	34,814,360
	Advance for Impoted machinery	-	364,119,356
	Advance to employee	118,122,720	89,589,470
	Other advance	219,913,417	94,206
	Advance Cash Purchase	2,640,629	2,289,827
	Advance to Supplier	148,455,963	105,694,390
		809,787,431	792,999,629
	Deposits:		
	Earnest money	9,781,938	9,740,000
	Security deposit	45,222,118	54,833,244
	Bank guarantee	113,618,843	117,809,191
	L/C margin	358,461,999	938,347,076
	Lease deposit	2,530,527	14,694,360
		529,615,425	1,135,423,871
	Prepayments:		
	Insurance premium	262,995	479,668
	Bank gurantee,commission & charge	25,929,644	43,362,532
		26,192,639	43,842,200
		1,365,595,495	1,972,265,701
13.1	Advance income tax		
	Opening balance	166,583,988	133,033,784
	Add: Addition during the year	43,791,691	33,550,204
	Closing balance	210,375,679	166,583,988
13.a	Advances, deposits & prepayments		
	Advances:		
	Advance income tax (Note -13a.1)	208,645,416	165,028,566
	Advance imprest money	117,500	85,000
	Motor cycle advance	7,969,236	13,884,063
	Advance - car loan	1,255,264	2,230,896
	Collection advance	8,172,329	4,188,731
	Advance to C&F agents	336,261	3,864,512
	Advance office rent	5,167,798	5,560,830
	Advance against land purchase	87,260,635	34,814,360
	Advance for machinery - BHF Bank	-	364,119,356
	Advance to Employee	108,855,027	87,353,357
	Others Advance	94,206	94,206
	Advance Cash Purchase	2,640,629	2,289,827
	Advance Paid to Suppliers	128,492,306	90,790,049
		559,006,606	774,303,753

All advances, deposits and prepayments are considered regular and recoverable in the normal course of business.

	Amount in Taka	
	30 June 2022	30 June 2021
Deposits		
Earnest money	9,781,938	9,740,000
Security deposit	45,222,118	54,833,244
Bank guarantee	848,167	-
Lease deposit	2,293,027	14,236,960
L/C Margin & Balance	198,943,096	778,829,173
	257,088,346	857,639,377
	816,094,952	1,631,943,130

All advances, deposits and prepayments are considered regular and recoverable in the normal course of business.

13a.1 Advance income tax		
Opening balance	165,028,566	131,716,484
Addition during the year	43,616,850	33,312,082
Closing balance	208,645,416	165,028,566
14. Fixed deposit with banks		
Social Islami Bank Limited.	9,409,892	8,961,570
Agrani Bank Ltd.	22,423,697	14,654,784
Details have been presented in Annexure -D	31,833,589	23,616,354
15. Cash & cash equivalents		
Cash in hand (Note -15.1)	14,677,215	14,500,869
Cash at B/O account (Note -15.2)	11,956	16,834
	14,689,171	14,517,703
Balance with banks on account		
Current account	87,105,053	366,528,823
Short term deposit account	4,340,604	33,947,623
	91,445,657	400,476,446
	106,134,828	414,994,148
15.1 Cash in hand		
Head office	5,996,261	7,678,508
Depot office	8,680,954	6,822,361
	14,677,215	14,500,869
15.2 Cash at B/O account		
Bank Asia Securities Limited.	6,328	-
Jahan Securities Limited.	1,974	2,424
Lanka Bangla Securities Ltd.	3,654	14,410
	11,956	16,834
15.a Cash and cash equivalents		
Cash in hand (Note -15a.1)	12,041,644	11,028,322
Cash at B/O account (Note -15a.2)	11,956	16,834
	12,053,600	11,045,156
Cash at Bank:		
Current account	74,019,426	187,408,515
Short term deposit account	4,340,604	2,153,034
Details have been presented in Annexure-E	78,360,030	189,561,549
	90,413,630	200,606,704

		Amount in Taka	
		30 June 2022	30 June 2021
15a.1 Cash in hand			
	Head office - central cash & main cash	4,914,168	4,205,961
	Depot office - petty cash	7,127,476	6,822,361
		12,041,644	11,028,322
15a.2 Cash at B/O account			
	Bank Asia Securities Limited	6,328	-
	Jahan Securities Limited	1,974	2,424
	Lanka Bangla Securities Ltd.	3,654	14,410
		11,956	16,834
16. 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 Shareholders	Number of Shares	% of Holding	
			30 June 2022	30 June 2021
Up to 500 Shares	24,238	3,198,336	1.37%	1.24%
501 to 5,000 Shares	6,859	12,847,876	5.49%	6.06%
5001 to 10,000 Shares	1,160	8,665,054	3.70%	4.00%
10,001 to 20,000 Shares	635	9,241,022	3.95%	4.04%
20,001 to above	701	200,047,712	85.49%	84.66%
Total	33,593	234,000,000	100%	100%

Categories of shareholders	Number of Shareholders	Number of Shares	% of Holding	
			30 June 2022	30 June 2021
Sponsors	5	74,841,600	31.98%	31.98%
Foreign Investor	728	2,705,434	1.16%	1.21%
Financial institutions	493	67,045,771	28.65%	37.87%
General public	32,367	89,407,195	38.21%	28.94%
Total	33,593	234,000,000	100%	100%

Orion Power Meghnaghat Limited	Number of Shares	30 June 2022		30 June 2021	
		Face Value	% of Holding	Face Value	% of Holding
Orion Pharma Limited	95,000,000	950,000,000	95.00%	950,000,000	95.00%
Integral Energy Limited	3,000,000	30,000,000	3.00%	30,000,000	3.00%
Jafflong Tea Company Limited	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	600,000	6,000,000	0.60%	6,000,000	0.60%
Mrs. Arzuda Karim	350,000	3,500,000	0.35%	3,500,000	0.35%
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 Limited	Number of Shares	30 June 2022		30 June 2021	
		Face Value	% of Holding	Face Value	% of Holding
Orion Pharma Limited	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%
Orion Tea Company Limited	50,000	500,000	0.50%	500,000	0.50%
Jafflong Tea Co. Limited	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%

		Amount in Taka	
		30 June 2022	30 June 2021
17. Reserves			
	Fair value gain/(loss) on investment in associate (Note -17.1)	297,107,485	218,941,769
	Fair value gain/(loss) on marketable securities (Note -17.2)	(7,235,554)	(12,027,113)
	Share of other comprehensive income of associate (Note - 17.3)	6,640,485	6,395,201
	Revaluation surplus on property, plant and equipment (Note -17.4)	1,681,581,746	1,691,542,515
		1,978,094,161	1,904,852,372
17.1 Fair value gain on investment in associate			
	Opening balance	218,941,769	237,175,941
	Fair value gain/ (loss) during the year	78,165,716	(18,234,172)
		297,107,485	218,941,769
17.2 Fair value gain/(loss) on marketable securities			
	Opening balance	(12,027,113)	(22,090,059)
	Adjustment of sale of marketable securities	(78,114)	5,925,574
	Fair value gain/(loss) on marketable securities (Note - 17.2.1)	5,402,068	5,255,477
	Transferred to deferred tax assets/(liabilities)	(532,395)	(1,118,105)
		(7,235,554)	(12,027,113)
17.2.1 Fair value gain/(loss) on marketable securities during the year			
	Unrealized gain/(loss) position (closing)	(8,039,504)	(13,363,458)
	Unrealized gain/(loss) position (opening)	(13,363,458)	(24,544,509)
	Total change during the year	5,323,954	11,181,051
	Fair value adjustment for sale of securities (realized loss)	78,114	(5,925,574)
	Unrealized gain/(loss) during the year	5,402,068	5,255,477
17.3 Share of other comprehensive income			
	Opening balance	6,395,201	5,748,129
	Add: Addition during the year	245,284	647,072
		6,640,485	6,395,201
17.4 Revaluation surplus on property, plant & equipment			
	Opening balance	1,691,542,515	1,715,759,107
	Adjustment during the year to retained earnings for depreciation	(11,263,959)	(25,690,036)
	Adjustment of deferred tax on revaluation surplus	1,303,189	1,473,444
		1,681,581,746	1,691,542,515
17.a Reserve			
	Fair value gain on investment in associates (Note - 17a.1)	297,107,485	218,941,769
	Fair value gain/(loss) on marketable securities (Note - 17a.2)	(7,235,554)	(12,027,112)
	Share of other comprehensive income (Note - 17a.3)	6,640,485	6,395,201
	Revaluation surplus on property, plant & equipment (Note - 17a.4)	1,316,110,872	1,323,495,609
		1,612,623,288	1,536,805,467
17a.1 Fair value gain on investment in associates			
	Opening balance	218,941,769	237,175,941
	Fair value gain/(loss) during the year	78,165,716	(18,234,172)
		297,107,485	218,941,769
17a.2 Fair value gain/(loss) on marketable securities			
	Opening balance	(12,027,112)	(22,090,058)
	Adjustment of sale of marketable securities	(78,114)	5,925,574
	Fair value gain/(loss) on marketable securities D/Y (Note - 17a.2.1)	5,402,068	5,255,477
	Transferred to deferred tax assets/(liabilities)	(532,395)	(1,118,105)
		(7,235,554)	(12,027,112)

	Amount in Taka	
	30 June 2022	30 June 2021
17a.2.1 Fair value gain/(loss) on marketable securities during the year		
Unrealized gain/(loss) position (closing)	(8,039,504)	(13,363,458)
Unrealized gain/(loss) position (opening)	(13,363,458)	(24,544,509)
Fair value adjustment for sale of securities realized gain/(loss)	78,114	(5,925,574)
Unrealized gain/(loss) during the year	5,402,068	5,255,477
17a.3 Share of other comprehensive income		
Opening balance	6,395,201	5,748,128
Add: Addition during the year	245,284	647,072
	6,640,485	6,395,201
17a.4 Revaluation surplus on property, plant & equipment		
Opening balance	1,323,495,609	1,331,845,122
Adjustment during the year to retained earnings for depreciation	(8,687,926)	(9,822,957)
Adjustment of deferred tax on revaluation surplus	1,303,189	1,473,444
	1,316,110,872	1,323,495,609
18. Retained earnings		
Opening balance	6,400,990,484	5,670,236,252
Net profit after tax	846,084,112	939,064,196
Dividend for the year	(280,800,000)	(234,000,000)
Adjustment for depreciation on revaluation surplus	11,263,959	25,690,036
	6,977,538,555	6,400,990,484
18.a Retained earnings		
Opening balance	518,496,227	457,550,939
Net profit after tax	662,679,032	285,122,331
Dividend for the year	(280,800,000)	(234,000,000)
Adjustment for depreciation on revaluation surplus	8,687,926	9,822,957
	909,063,184	518,496,227
19. Non-controlling interest		
Opening balance	1,411,671,307	1,225,990,411
Share of operating profit	44,667,594	185,680,896
Closing balance	1,456,338,901	1,411,671,307
20. Long term loan		
Syndicated loan and other long term loans (Note 20.1)	17,988,038,395	16,203,863,846
Current portion of long term loan (Note 20.2)	(387,466,840)	(274,326,280)
	17,600,571,555	15,929,537,566
20.1 Syndicated loan and other long term loans		
Phoenix Finance & Investment Ltd.	161,931,838	204,083,029
Mashreq bank PSC	2,307,043,344	3,456,437,544
Meridian finance & Investment Ltd.	-	2,528,812
Agrani Bank Ltd. -BMRE	3,918,443,387	3,659,628,747
Social Islami Bank Ltd	1,612,210,873	1,550,425,073
AL-Arafa Islami Bank Ltd.	2,028,666,719	1,902,022,581
ODDO BHF AG Finance	814,318,841	735,203,573
Rupali Bank Ltd.	2,237,579,186	1,028,693,995
Term Loan -SBLC Agrani Bank Ltd	2,536,109,550	2,536,109,550
Term Loan Capital Machinery - UPAS L/C	2,371,734,657	1,128,730,942
	17,988,038,395	16,203,863,846

		Amount in Taka	
		30 June 2022	30 June 2021
20.2	Current portion of long term loan		
	Meridian Finance & Investment Ltd.	-	2,528,812
	Phoenix Finance & Investment Ltd.	61,739,304	61,739,304
	ODDO BHF AG Finance	325,727,536	210,058,164
		387,466,840	274,326,280
20.a	Long term loan		
	Meridian Finance & Investment Ltd.	-	2,528,812
	Phoenix Finance & Investment Ltd.	161,931,838	204,083,029
	Agrani Bank Ltd. -BMRE	3,918,443,387	3,659,628,747
	Social Islami Bank Ltd.	1,612,210,873	1,550,425,073
	Term Loan -SBLC Agrani Bank Ltd.	2,536,109,550	2,536,109,550
	Term Loan Capital Machinery - UPAS L/C	2,371,734,657	1,128,730,942
	AL-Arafa Islami Bank Ltd.	2,028,666,719	1,902,022,581
	ODDO BHF AG Finance	814,318,841	735,203,573
	Rupali Bank Ltd.	2,237,579,186	1,028,693,995
		15,680,995,051	12,747,426,302
	Less: Current portion of long term loan (Note 20.a.1)	(387,466,840)	(274,326,280)
		15,293,528,211	12,473,100,022
20.a.1	Current portion long term loan		
	Meridian Finance & Investment Ltd.	-	2,528,812
	Phoenix Finance & Investment Ltd.	61,739,304	61,739,304
	ODDO BHF AG Finance	325,727,536	210,058,164
		387,466,840	274,326,280
21	Lease obligation		
	Phoenix Finance & Investment Ltd.	13,324,838	21,836,091
	Lease obligation (Office rent)	53,604,861	54,478,004
		66,929,699	76,314,095
	Current portion of lease obligation (21.1)	(31,664,304)	(36,415,462)
		35,265,395	39,898,633
21.1	Current portion of lease obligation		
	Phoenix Finance & Investment Ltd.	13,035,912	15,457,560
	Lease obligation (Office rent)	18,628,392	20,957,902
		31,664,304	36,415,462
22	Deferred tax liability		
	Opening balance	138,284,281	142,611,072
	Adjustment for deferred tax expenses /(income) (Note-22.1)	(15,267,031)	(3,971,453)
	Adjustment for deferred tax on revaluation surplus (Note-22.2)	(770,793)	(355,339)
		122,246,457	138,284,281
22.1	Adjustment during the year on deferred tax on PPE		
	Deferred tax liability on PPE (closing)	73,658,095	88,925,125
	Deferred tax liability on PPE (opening)	88,925,125	92,896,578
	Deferred tax expenses/(income)	(15,267,031)	(3,971,453)

Particular	WDV as at 30 June 2022		Amount in Taka	
	Tax base	Accounting Base	Deferred tax liability as on 30.06.2022	Deferred tax liability as on 30.06.2021
Property, Plant and Equipment (Excluding Land & land development)	2,871,368,154	3,198,737,463	(73,658,095)	(88,925,125)

22.2 Adjustment of deferred tax on revaluation Surplus

Deferred tax liability on revaluation surplus (Closing) (Note-22.2.1)
 Deferred tax liability on revaluation surplus (Opening)
Deferred tax expenses/(income)

Amount in Taka	
30 June 2022	30 June 2021
48,588,362	49,359,155
49,359,155	49,714,494
(770,793)	(355,339)

22.2.1 Adjustment of deferred tax on revaluation Surplus

Particulars	WDV as at 30 June 2022		Amount in Taka	
	Tax Base	Accounting Base	Deferred Tax Liability as on 30.06.2022	Deferred Tax Liability as on 30.06.2021
Land & land development	-	1,298,728,729	(38,961,862)	(38,961,862)
Factory & office building	-	54,822,838	(8,223,426)	(9,137,140)
Plant & machinery	-	14,713,497	(2,207,025)	(2,596,499)
Marketable securities	-	(8,039,504)	803,950	1,336,346
Total		1,360,225,560	(48,588,362)	(49,359,155)

23 Shot term loans

Cash credit (Hypo) Agrani Bank Ltd.,WASA Corp. Branch
 LTR Agrani Bank Ltd.,WASA Corporate Branch
 Loan against marketable securities

357,789,664	357,589,783
140,712,060	141,033,011
65,402,545	65,694,373
563,904,269	564,317,167

24 Trade and other payables

Goods suppliers & manufacturer
 Other payable
 Current account with inter companies (Note -24.1)

7,301,370,368	4,231,207,322
278,874,271	253,373,319
139,264,463	59,424,320
7,719,509,102	4,544,004,961

In prior period unclaimed /unpaid dividend reported in other payables under trade & other payables. In this year unclaimed /unpaid dividend has been reclassified in this financial statement as separate line item in Statement of Financial Position under current liabilities.

24.1 Current account with inter companies

Orion Capital Ltd.
 Orion Power Sonargaon Ltd.
 Orion Oil & Shipping Ltd.
 Orion Ship Management Ltd.

18,420,000	18,420,000
25,933,315	41,004,320
91,911,148	-
3,000,000	-
139,264,463	59,424,320

24.a Trade and other payables

Goods suppliers & manufacturer
 Other payables

298,385,557	212,441,775
91,958,842	89,518,706
390,344,399	301,960,481

25 Employee benefits

Workers welfare fund (Note -25.1)
 Bangladesh workers welfare foundation (Note -25.2)
 Workers profit participation fund (Note -25.3)

14,520,404	11,104,537
20,098,874	14,828,067
96,769,338	71,297,346
131,388,616	97,229,950

25.1 Workers welfare fund

Opening balance
 Add: Addition for the year
 Less: Payment during the year

11,104,537	6,567,966
5,270,806	5,935,950
(1,854,940)	(1,399,378)
14,520,404	11,104,537

25.2 Bangladesh workers welfare foundation

Opening balance
 Add: Addition for the year

14,828,067	8,892,117
5,270,806	5,935,950
20,098,874	14,828,067

		Amount in Taka	
		30 June 2022	30 June 2021
25.3	Workers profit participation fund		
	Opening balance	71,297,346	36,404,154
	Add: Addition for the year	42,166,450	47,487,592
	Less: Payment during the year	(16,694,458)	(12,594,400)
		96,769,338	71,297,346
25.a	Employee benefits		
	Workers welfare fund (Note -25.a.1)	6,468,388	4,192,885
	Bangladesh workers welfare foundation (Note -25.a.2)	12,046,858	7,916,415
	Workers profit participation fund (Note -25.a.3)	32,353,216	16,004,131
		50,868,462	28,113,432
25.a.1	Workers welfare fund		
	Opening balance	4,192,885	3,854,428
	Add: Addition for the year	4,130,443	1,737,835
	Less: Payment during the year	(1,854,940)	(1,399,378)
		6,468,388	4,192,885
25.a.2	Bangladesh workers welfare foundation		
	Opening balance	7,916,415	6,178,580
	Add: Addition for the year	4,130,443	1,737,835
		12,046,858	7,916,415
25.a.3	Workers profit participation fund		
	Opening balance	16,004,131	14,695,849
	Add: Addition for the year	33,043,543	13,902,682
	Less: Payment during the year	(16,694,458)	(12,594,400)
		32,353,216	16,004,131
<p>WPPF is charged @ 5% of net profit before tax as per labour law Act 2006 (Amended in 2013), whereas 80% is allocated to "Workers profit participation fund", 10% to "workers welfare fund" and 10% to "Bangladesh workers welfare foundation".</p>			
26.	Accrued expenses		
	Salary and wages payable	88,775,113	74,421,103
	Director remuneration payable	8,924,996	8,925,000
	Depot expenses payable	2,002,320	2,660,352
	Telephone & mobile bill payable	5,719,829	3,677,907
	Payable for final settlement of employee	8,424,487	7,970,837
	Utilities payable	10,378,399	6,449,775
	Provision for income tax (Note 26.1)	398,615,158	262,748,141
	Corporate governance audit fees	69,000	69,000
	Statutory Audit fees	1,380,000	1,265,000
	Interest payable on Mashreq Dubai	8,346,572	6,566,474
	Retention money	3,618,657	3,618,656
	Provision for gratuity	22,307,848	22,445,133
	Interest payable on Phonix Finance and Investment Ltd.	30,008	795,325
	Withholding VAT	18,395,212	20,206,771
	Withholding tax	12,248,002	12,176,535
		589,235,603	433,996,009
26.1	Provision for income tax		
	Opening balance	262,748,141	197,862,877
	Add: Addition during the year	187,979,580	72,485,264
		450,727,721	270,348,141
	Less: Previous year tax paid	(52,112,563)	(7,600,000)
		398,615,158	262,748,141

		Amount in Taka	
		2021-2022	2020-2021
28.1	Raw materials consumed		
	Opening stock	153,608,779	145,426,337
	Add: Purchase during the year	720,696,841	479,664,746
	Goods Available for use	874,305,620	625,091,083
	Less: Closing stock	(336,815,123)	(153,608,779)
	Consumed during the year	537,490,498	471,482,304
28.2	Packing materials consumed		
	Opening stock	43,386,793	68,227,685
	Add: Purchase during the year	338,104,033	216,425,548
	Goods available for use	381,490,826	284,653,233
	Less: Closing stock	(101,676,205)	(43,386,793)
	Consumed during the year	279,814,621	241,266,440
28.3	Factory overhead		
	Salaries, wages & other allowances	154,816,284	21,064,006
	Travelling & conveyance	5,948,206	5,501,903
	Entertainment	7,378,720	2,643,988
	Worker's food expenses	19,582,649	16,352,324
	Uniform, liveries & others	526,083	324,318
	Utilities	87,362,668	45,409,119
	Cleaning & washing	940,726	549,003
	Carrying inward	905,953	712,675
	Postage, telephone & others	479,179	709,265
	Fuel & lubricants	5,423,502	5,228,012
	Fees & taxes	1,285,929	1,244,901
	Books & periodicals	26,530	3,612
	Printing & stationery	6,124,505	5,735,572
	Insurance premium	172,124	1,973,645
	Repair & maintenance	9,614,813	8,743,591
	Depreciation (Annexure-A & B)	237,584,416	256,837,287
	Research & development	1,499,034	886,838
	Spare parts	19,536,072	15,028,641
	Security services	2,458,426	1,079,100
		561,665,818	490,027,800
29.	Cost of power generation		
	Opening balance	406,517,746	187,202,025
	Add: Purchase during the year (Note- 29.1)	5,992,446,887	6,090,041,879
		6,398,964,633	6,277,243,904
	Less: Closing balance	(408,653,749)	(406,517,746)
		5,990,310,884	5,870,726,158
	Add : Plant overhead (Note- 29.2)	346,969,077	1,165,736,900
		6,337,279,961	7,036,463,057
29.1	Purchase of raw materials		
	Mobil & chemical	78,015,810	82,941,269
	HFO - OOSL	5,914,431,077	6,007,100,610
		5,992,446,887	6,090,041,879

		Amount in Taka	
		2021-2022	2020-2021
29.2	Plant overhead		
	O & M service	56,517,188	152,672,429
	Salaries & allowances	134,582,403	140,797,308
	Repair & maintenance	33,697,514	108,130,222
	Travelling & conveyance	12,437,755	8,066,392
	Depreciation	97,114,329	599,916,849
	Miscellaneous expenses	-	137,610,212
	Land rent	3,070,682	7,258,319
	Insurance	404,209	1,638,046
	Foreign exchange gain/(loss)	9,144,997	9,647,123
		346,969,077	1,165,736,900
30.	General and administrative expenses		
	Salaries, allowances & bonus	172,390,286	134,201,828
	Directors' remuneration	20,400,000	20,400,000
	Meeting attendance Fee	616,000	589,000
	Fuel & lubricants	8,849,264	6,421,415
	Travelling & conveyance	5,275,848	3,331,860
	Entertainment	8,461,509	4,450,895
	Cleaning & washing	7,946,286	3,704,098
	Utilities	19,423,334	25,909,896
	Postage, telephone & others	7,510,161	7,116,761
	Bank charges & commission	4,862,232	4,042,678
	Fees & taxes	9,045,161	7,987,224
	Fooding expenses	21,197,959	19,580,798
	Software consultancy & others	6,270,535	6,622,950
	Books & periodicals	23,128	1,880
	Printing & stationery	6,395,680	4,574,807
	Repair & maintenance	4,583,800	3,973,200
	Depreciation (Annexure-A & B)	124,840,564	122,043,356
	Lease rent	-	671,875
	Statutory audit fees	1,380,000	1,265,000
	Corporate governance audit fees	69,000	69,000
	Annual listing & other fees	1,200,000	1,518,000
	Overseas travel & training expenses	8,985,502	1,423,807
	Insurance premium	1,987,091	2,331,248
	Miscellaneous expenses	168,401	144,543
	AGM expenses	1,834,675	666,863
	Security services	11,968,880	9,265,688
	Advertisement & publicity	1,725,768	8,195,308
	Corporate social responsibility (CSR)	3,780,660	3,129,000
		461,191,722	403,632,976
30.a	General and administrative expenses		
	Salaries, allowances & bonus	172,390,286	134,201,828
	Directors' remuneration	3,600,000	3,600,000
	Meeting attendance fee	616,000	589,000
	Fuel & lubricants	8,849,264	6,421,415
	Travelling & conveyance	5,275,848	3,331,860
	Entertainment	7,018,783	2,515,013
	Cleaning & washing	7,946,286	3,704,098
	Utilities	18,223,670	24,733,913
	Postage, telephone & others	5,562,875	5,234,690
	Bank charges & commission	4,862,232	4,042,678
	Fees & taxes	4,636,654	3,979,048
	Fooding expenses	10,213,412	7,324,538

		Amount in Taka	
		2021-2022	2020-2021
	Software consultancy & others	4,225,195	3,044,980
	Books & periodicals	23,128	1,880
	Printing & stationery	5,814,322	3,808,013
	Repair & maintenance	4,583,800	3,973,200
	Depreciation (Annexure-A & B)	124,840,564	122,043,356
	Lease rent	-	671,875
	Statutory audit fees	690,000	575,000
	Corporate governance audit fees	69,000	69,000
	Annual listing & other fees	1,200,000	1,518,000
	Overseas travel & training expenses	8,985,502	1,423,807
	Insurance premium	1,987,091	2,331,248
	Miscellaneous expenses	168,401	144,543
	AGM expenses	1,834,675	666,863
	Security services	2,949,288	1,779,800
	Advertisement & publicity	1,365,768	1,165,837
	Corporate social responsibility (CSR)	3,308,000	1,819,000
		411,240,042	344,714,482
31.	Selling and distribution expenses		
	Salaries, allowances & bonus	544,416,525	498,444,872
	Field force TA/DA	39,514,533	21,390,337
	Printing & stationery	18,524,518	12,625,515
	Postage, telephone & others	17,313,667	11,229,678
	Fooding expenses	4,223,914	2,824,921
	Product renewal & development	4,537,863	4,277,212
	Software consultancy & others	5,692,500	6,028,102
	Training & conference	8,474,732	6,557,064
	Repair & maintenance	992,837	779,265
	Travelling & conveyance	4,156,267	2,893,765
	Bank charges & commission	1,368,220	1,595,230
	Carrying & distribution expenses	38,770,739	23,777,751
	Entertainment	3,599,376	1,289,750
	Promotional materials	15,714,935	13,109,733
	Sample expenses	9,772,808	14,383,524
	Export expenses	8,246,486	4,118,776
	Depreciation (Annexure-A & B)	38,908,930	39,832,754
	Lease rent	-	4,634,998
	Fuel & lubricants	4,075,632	2,869,551
	Fees & taxes	465,239	404,635
	Overseas travelling & training	5,990,335	1,014,325
	Security services	2,466,195	1,584,682
	Utilities	1,578,135	1,470,833
	Insurance premium	1,530,389	1,446,057
	Books & periodicals	3,420	2,900
	Advertisement & publicity	2,211,253	435,959
	Cleaning & washing	2,628,744	730,773
		785,178,192	679,752,961
32.	Financial expense		
	Agrani Bank Limited, Cash Credit (H) - 48.	31,417,174	31,501,647
	Agrani Bank Limited, LTR	12,731,417	13,363,106
	Phoenix Finance & Investments Ltd.	21,283,116	11,271,247
	Meridian Finance & Investment Ltd.	46,019	1,284,184
	Finance cost on lease obligation (Office rent)	4,693,018	4,699,794
	Bank charge, commission & fees	100,944,424	130,910,662
	Interest on Long Term Borrowing	103,061,042	161,313,896
	Loan processing fees	-	595,356
		274,176,210	354,939,890

		Amount in Taka	
		2021-2022	2020-2021
32a	Financial expenses		
	Agrani Bank Limited, Cash Credit (H) - 48.	31,417,174	31,501,647
	Agrani Bank Limited, LTR	12,731,417	13,363,106
	Phoenix Finance & Investments Ltd.	21,254,949	11,070,991
	Meridian Finance & Investment Ltd.	46,019	1,284,184
	Finance cost on lease obligation (Office rent)	4,693,018	4,699,794
	Bank Commission, Fees, VAT and Other Charges	34,479,867	49,758,788
		104,622,444	111,678,509
33.	Interest & other income		
	Interest on FDR	1,585,115	1,272,215
	Interest income	635,539,557	1,540,376
	Dividend income	1,189,423	381,076
	Insurance claim received	2,546,890	5,156,363
	Others Income	5,847,400	6,952,119
	Cash Incentive from export sales	5,808,000	34,746,000
	Gain/(loss) on sale of marketable securities (Note 33a.1)	78,114	(5,925,574)
	Gain / (loss) on foreign exchange fluctuations	623,853	1,229,605
		653,218,351	45,352,180
33a	Interest & other income		
	Interest on FDR	1,585,115	1,272,215
	Interest income	505,720,346	1,540,376
	Dividend income	1,189,423	381,076
	Insurance claim received	2,546,890	5,156,363
	Others Income	5,847,400	6,952,119
	Cash Incentive from export sales	5,808,000	34,746,000
	Gain/(loss) on sale of marketable securities (Note 33a.1)	78,114	(5,925,574)
	Gain / (loss) on foreign exchange fluctuations	623,853	1,229,605
		523,399,140	45,352,180
33a.1	Income on sale of marketable securities		
	Gain/(loss) on sale of marketable securities	80,064	(5,922,043)
	Interest on portfolio credit and others	(1,950)	(3,531)
		78,114	(5,925,574)
34.	Current tax		
	Profit before tax	826,088,581	347,567,042
	Add: Accounting depreciation	401,333,910	418,713,397
	Less: Tax depreciation	374,266,453	432,526,909
	Taxable income	853,156,038	333,753,530

Income tax provision

Particulars	Taxable income	Taxable Amount	
		30 June 2022	30 June 2021
22.50 % income tax on taxable profit	814,267,126	183,210,103	66,334,694
Half of 22.50 % income tax on export net profit	35,118,156	3,950,793	2,599,754
Cash Incentive from Export Sales	2,581,333	580,800	3,474,600
20% income tax on dividend received	1,189,423	237,885	76,215
Total	853,156,038	187,979,580	72,485,264

Minimum tax**Calculation of gross receipt**

Revenue from net sales	2,995,167,358	2,612,321,217
Other income		
Interest on FDR	1,585,115	1,272,215
Interest Income	505,720,346	1,540,376
Dividend income	1,189,423	381,076
Insurance claim received	2,546,890	5,156,363
Others Income	5,847,400	6,952,119

	Amount in Taka	
	2021-2022	2020-2021
Cash Incentive from export sales	5,808,000	34,746,000
Gain/(loss) on sale of marketable securities	78,114	-
Gain / (loss) on foreign exchange fluctuations	623,853	1,229,605
Total Gross Receipts	3,518,566,497	2,663,598,971
Minimum Tax (.60% On Total Gross Receipts)	21,111,399	15,981,594
Tax provision whichever is higher	187,979,580	72,485,264

Income tax provision is higher between tax at regular rate on income and minimum tax on gross receipts U/S 82C 2(b) of IT Ordinance 1984. Hence tax at regular rate is accounted for as it is higher than the minimum tax.

35 Earnings per share (EPS)		
The computation is given below:		
Net profit after tax	846,084,112	939,064,196
Ordinary shares outstanding during the year	234,000,000	234,000,000
Earning per share	3.62	4.01
35a Earnings per share		
The computation is given below:		
Net profit after tax	662,679,032	285,122,331
Ordinary shares outstanding during the year	234,000,000	234,000,000
Earnings per share	2.83	1.22

During the reporting year the company did not issue any share. Hence there is no required to calculate weighted average ordinary share.

36. Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method:

Particulars	30-Jun-2022	30-Jun-2021
Net profit before tax	1,054,161,257	1,187,189,802
Workers profit participation fund	41,304,429	17,378,352
Interest & other income	(522,775,287)	(45,352,180)
Financial expenses	144,356,997	354,939,891
Depreciation	498,448,238	1,018,630,246
Increase/(Decrease) in inventory	(263,323,224)	(133,110,962)
Increase/(Decrease) in receivables	(2,841,046,673)	(1,447,896,018)
Increase/(Decrease) in advance deposit & prepayments	(113,569,843)	38,304,682
Increase/(Decrease) in employee benefit	(7,145,764)	27,987,360
Increase/(Decrease) in payable	3,226,296,623	1,603,231,790
Increase/(Decrease) in accrued expenses	41,418,609	11,223,011
Income taxes paid	(95,729,413)	(40,912,082)
Foreign exchange gain/(loss)	(623,853)	(91,688)
Net cash flows from operating Activities	1,161,772,097	2,591,522,205
36.1 Net Operating Cash Flows Per Share (NOCFPS)	4.96	11.07
During the financial year cash received from customers was reduced that's why net operating cash flow per share reduced.		
36a Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 Dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method:		
Net profit before tax	826,088,581	347,567,042
Workers profit participation fund	41,304,429	17,378,352
Interest & other income	(522,775,287)	(45,352,180)
Financial expenses	104,622,444	111,678,509
Depreciation	401,333,910	418,713,397
Increase/(Decrease) in inventory	(269,487,850)	(45,519,165)
Increase/(Decrease) in receivables	(20,846,735)	(5,374,667)
Increase/(Decrease) in advance, deposit & prepayments	5,608,127	(110,445,829)
Increase/(Decrease) in employee benefit	(18,549,398)	(13,993,778)
Increase/(Decrease) in payable	88,383,918	(138,114,856)
Increase/(Decrease) in accrued expenses	21,564,652	989,897
Income taxes paid	(95,729,413)	(40,912,082)
Foreign Exchange Gain/(Loss)	(623,853)	(91,688)
Net cash flows from operating activities	560,893,524	496,522,953
36a.1 Net Operating Cash Flows Per Share (NOCFPS)	2.40	2.12

37. Segmental information

The Group's operational segments are pharmaceuticals, power, and investments. The operational segments results are as follows:

Particulars	Pharmaceuticals	Power	Totals
Revenue from sales	2,995,167,358	6,666,442,504	9,661,609,862
Expenses	(2,546,551,043)	(6,387,231,641)	(8,933,782,684)
Segment Result	448,616,315	279,210,863	727,827,178
Capital expenditure			
Additions to property, plant & equipment	82,838,815	588,644	83,427,459
Other segment information			
Interest & other income	523,399,140	129,819,211	653,218,351
Financial Expenses	(104,622,444)	(169,553,766)	(274,176,210)
Provision for income tax	(187,979,580)	-	(187,979,580)
Share of profit from associate	9,303,000	-	9,303,000
Depreciation expenses	(375,720,207)	(97,114,330)	(472,834,536)
Segment assets	28,871,580,583	19,235,458,464	48,107,039,047
Segment liabilities	17,382,397,993	9,955,777,411	27,338,175,404

38. Related party transactions

38.1 The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-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 2022 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2021	Addition	Adjustment	Closing Balance as on 30.06.2022
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 Ltd. (44,30,000 Ordinary Shares @ TK. 10 each)	Associate	Investment in Shares	44,300,000	-	-	44,300,000
Orion Power Khulna Ltd. (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Power Dhaka Ltd. (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Infrastructure Ltd. (200,000,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	2,117,209,676	-	-	2,117,209,676
Orion Power Unit - 2 Dhaka Ltd. (178,500 Ordinary Shares @ TK. 10 Each)	Trade Investment	Investment in Shares	1,785,000	-	-	1,785,000
Dutch Bangla Power & Associate Ltd.	Subsidiary	Inter Company Current A/C	369,895,908	19,500,000	(17,000,000)	372,395,908
Orion Properties Ltd.	Common Director/ Shareholders	Inter Company Current A/C	20,331,532	-	-	20,331,532
Orion Power Khulna Ltd.	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	43,172	-	2,176,336,879
Orion Agro Product Ltd.	Common Director/ Shareholders	Inter Company Current A/C	232,265,920	11,300,000	-	243,565,920
Interior Accom Consortium Ltd.	Common Director/ Shareholders	Inter Company Current A/C	107,995,459	-	(209,194)	107,786,265
Orion Power Unit -2 Dhaka Ltd.	Common Director/ Shareholders	Inter Company Current A/C	1,358,708,776	71,300,000	(257,660,646)	1,172,348,130
Orion Power Rupsha Ltd.	Inter Company	Inter Company Current A/C	186,800,000	-	(183,500,000)	3,300,000
Digital Power & Associates Ltd.	Inter Company	Inter Company Current A/C	97,341,915	84,569,581	-	181,911,496
Orion Hospitals Ltd.	Inter Company	Inter Company Current A/C	12,700,000	5,000,000	-	17,700,000
Energon Renewables (BD) Ltd.	Inter Company	Inter Company Current A/C	929,560,353	109,750,000	(405,482,623)	633,827,731
Orion Home Appliances Ltd.	Inter Company	Inter Company Current A/C	110,000,000	-	-	110,000,000
Orion Natural Care Ltd.	Inter Company	Inter Company Current A/C	78,435,000	350,000	-	78,785,000
Kohinoor Chemical Co. (BD) Ltd.	Inter Company	Trading Goods	(1,413,731)	990,538	(1,026,756)	(1,449,948)
Orion Gas Ltd.	Inter Company	Inter Company Current A/C	-	34,788,384	-	34,788,384
Panbo Bangla Mushroom Ltd	Inter Company	Inter Company Current A/C	-	32,500,000	-	32,500,000
Orion Footwear Ltd.	Inter Company	Inter Company Current A/C	-	13,500,000	-	13,500,000
Orion Tea Company Ltd	Inter Company	Inter Company Current A/C	-	141,823,431	-	141,823,431
Orion Power Sonargaon Ltd	Inter Company	Inter Company Current A/C	-	50,000,000	-	50,000,000
Total:			9,846,231,429	575,415,106	(864,879,218)	9,556,767,317

* All related party transaction have complied with the BSEC (notification no. BSEC/CMRRCD/ 2009-193/Admin / 103 dated February 5, 2020) during the financial year.

38.2 Payments/ Perquisites to Key Management Personnel

i) Payments/perquisites to key management personnel during the year are disclosed below:

Particulars	Amount in Taka	
	2021-2022	2020-2021
Basic Salary	12,479,870	9,702,816
House rent	6,241,606	4,853,100
Medical Allowance	1,056,400	1,059,000
Conveyance	884,600	825,000
Other Allowance	2,339,900	1,875,000
Bonus	2,001,200	670,465
Profit Participation Fund	921,900	796,180
C.P.F. (Employer)	1,088,406	908,712
LFA	432,332	-
Total	27,446,214	20,690,273

ii) During the year board meeting attendance fees were paid to the directors.

39. Production capacity

Item	Unit	Production Capacity		Yearly Production		Capacity Utilization	
		2022	2021	2022	2021	2022	2021
Tablet & capsule	Million Pcs	763.69	694.26	660.59	523.20	86.50%	85.57%
Oral liquid, injection, powder for suspension, cream & ointment	Million Pcs	26.05	23.68	19.20	17.27	73.71%	72.93%

40. General

40.1 Capital expenditure commitment

There was capital expenditure contracted but not incurred or provided as on 30 June 2022 and material capital expenditure authorized by the board.

40.2 Claims not acknowledged

There is no claim against the company not acknowledged as debt as on 30 June 2022.

40.3 Credit facilities not availed

There is no credit facilities available to the company as on 30 June 2022 under any contract, other than trade credit available in the ordinary course of business.

40.4 Director's responsibility statements

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

40.5 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 2021 to 30 June 2022.

40.6 Employee details

- i) During the year, there were 2,351 employees employed for the full year and 590 employees less than the full year at a remuneration of Taka 3,000 per month and above.
- ii) At the end of the period, there were 2,791 employees in the Company.

40.7 Rounding off

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

41 Events after the reporting period

- 41.1 The Board of Directors meeting held on 13th November 2022 had recommended 10 % cash dividend for the year ended 30 June 2022 for placement before the Shareholder's for approval at 57th AGM of the company.
- 41.2 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/-
Managing Director

Sd/-
Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Schedule of property, plant and equipment
As at 30 June 2022

Annexure-A. 1

Amount in Taka

Particulars	Written down value as at 01.07.2021	Additions during the year	Sale /Disposal During the year	Total as on 30.06.2022	Rate of Dep.(%)	Adjustment	Depreciation charged during the year	Written down value as at 30.06.2022
Land & land development	3,079,803,296	58,860,700	(4,000,100)	3,134,663,896	-	-	-	3,134,663,896
Factory & office building	2,076,794,173	-	-	2,076,794,173	5%,10%	-	195,083,816	1,881,710,357
Plant & machinery	6,339,182,991	5,213,692	-	6,344,396,683	15%	-	210,824,228	6,133,572,454
Furniture & fixtures	78,310,120	749,284	-	79,059,404	10%	-	7,905,941	71,153,464
Office equipment	109,522,904	11,164,898	-	120,687,802	15%	-	17,837,902	102,849,900
Vehicles	22,140,576	-	-	22,140,576	20%	-	4,428,115	17,712,461
Laboratory equipment	37,068,234	-	-	37,068,234	15%	-	5,560,235	31,507,999
Road & Road Development	573,583,944	7,438,885	-	581,022,829	2%	-	11,620,457	569,402,372
Sub-total:	12,316,406,238	83,427,459	(4,000,100)	12,395,833,597			453,260,695	11,942,572,902

At Revaluation

Land & land development	1,599,675,401	-	-	1,599,675,401			-	1,599,675,401
Factory & office building	73,476,611	-	-	73,476,611	10%		6,719,544	66,757,066
Plant & machinery	190,460,132	-	-	190,460,132	15%		4,893,752	185,566,380
Sub-total:	1,863,612,144	-	-	1,863,612,144			11,613,296	1,851,998,848

Leased Assets

Vehicle	39,802,728	-	-	39,802,728	20%		7,960,546	31,842,182
Sub-total:	39,802,728	-	-	39,802,728			7,960,546	31,842,182

Total 2021-2022	14,219,821,108	83,427,459	(4,000,100)	14,299,248,468	-	-	472,834,536	13,826,413,931
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Total 2020-2021	14,930,942,237	279,081,475		15,210,023,712			990,202,605	14,219,821,108
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ORION PHARMA LIMITED
Schedule of property, plant and equipment
As at 30 June 2022

Annexure-A.2

		Amount in Taka						
Sl. No.	Particulars	Written down value as at 01.07.2021	Addition during the year	Disposal/sale during the year	Balance as on 30.06.2022	Rate of Dep. (%)	Depreciation charged during the year	Written down value as at 30.06.2022
1	Land & land development	2,827,269,030	58,860,700	(4,000,100)	2,882,129,630	-	-	2,882,129,630
2	Factory & office building	1,824,882,149	-	-	1,824,882,149	5%, 10%	182,488,215	1,642,393,934
3	Plant & machinery	865,234,323	5,213,692	-	870,448,014	15%	130,567,202	739,880,812
4	Furniture & fixtures	78,294,812	749,284	-	79,044,096	10%	7,904,410	71,139,687
5	Office equipment	104,806,189	10,576,254	-	115,382,443	15%	17,307,366	98,075,076
6	Vehicles	18,119,251	-	-	18,119,251	20%	3,623,850	14,495,401
7	Laboratory equipment	37,068,234	-	-	37,068,234	15%	5,560,235	31,507,999
8	Road & Road Development	573,583,943	7,438,885	-	581,022,828	2%	11,620,457	569,402,372
	A. Sub-Total	6,329,257,931	82,838,815	(4,000,100)	6,408,096,646		359,071,735	6,049,024,911

At revaluation

1	Land & land development	1,298,728,729	-	-	1,298,728,729	-	-	1,298,728,729
2	Factory & office building	60,914,264	-	-	60,914,264	10%	6,091,426	54,822,838
3	Plant & machinery	17,309,997	-	-	17,309,997	15%	2,596,500	14,713,497
	B. Sub-Total	1,376,952,990	-	-	1,376,952,990		8,687,926	1,368,265,064

Leased asset

1	Vehicles	39,802,727	-	-	39,802,727	20%	7,960,546	31,842,182
	Sub-total:	39,802,727	-	-	39,802,727		7,960,546	31,842,181
	TOTAL (A+B+C)-2021-2022	7,746,013,649	82,838,815	(4,000,100)	7,824,852,364	-	375,720,207	7,449,132,157
	TOTAL - 2020-2021	7,860,572,660	275,726,745	-	8,136,299,405	-	390,285,756	7,746,013,649

Allocation of depreciation charge for the year has been made in the accounts as follows:

Sl. No.	Particulars	Factory overhead	General and admin expense	Selling & distribution expense	Total
1	Factory & office building	75,431,857	94,289,821	18,857,964	188,579,641
2	Plant & machinery	133,163,702	-	-	133,163,702
3	Furniture & fixtures	1,580,882	3,161,764	3,161,764	7,904,410
4	Office equipment	3,461,473	9,519,052	4,326,842	17,307,366
5	Vehicles	362,385	2,536,695	724,770	3,623,850
6	Lease - Vehicles	-	6,368,437	1,592,109	7,960,546
7	Laboratory equipment	5,560,235	-	-	5,560,235
8	Road & Road Development	11,620,457	-	-	11,620,457
	Total	231,180,990	115,875,768	28,663,449	375,720,207

ORION PHARMA LIMITED
Schedule of Right of Use Assets
As at 30 June 2022

Annexure-B

Amount in Taka

SL. No.	Particulars	Cost			Rate of Depreciation	Depreciation		Written down value as at 30.06.2022
		Balance as on 01.07.2021	Addition during the year	Disposal/ Adjustment		Balance as on 30.06.2022	Depreciation charged during the year	
1	Right of use Assets	106,698,236	24,276,213	-	Monthly	55,886,807	25,613,703	49,473,939
	Total-2021-2022	106,698,236	24,276,213	-		55,886,807	25,613,703	49,473,939
	Total-2020-2021	77,807,019	31,689,566	(2,798,349)		27,459,166	28,427,641	50,811,429

Allocation of depreciation charge for the year has been made in the accounts as follows:

Particulars	Factory overhead	General & administration expense	Selling & distribution expense	Total
1	6,403,426	8,964,796	10,245,481	25,613,703
Total	6,403,426	8,964,796	10,245,481	25,613,703

ORION PHARMA LIMITED
Investment in Marketable Securities
For the year ended 30 June 2022

Annexure-C

Amount in Taka

Particulars	30-Jun-22		30-Jun-21	
	Market Price	Cost Price	Market Price	Cost Price
AB Investment Ltd.				
Alif Industries Ltd.	-	-	1,873,813	4,554,152
Apex Footwear Ltd.	-	-	11,654,879	18,755,421
Central Pharmaceuticals Ltd.	-	-	79,332	161,317
Islami Bank Bangladesh Ltd.	-	-	2,956,130	3,484,013
LafargeHolcim Bangladesh Limited	11,833,200	15,020,275	-	-
SAIF Powertec Limited	5,925,400	7,262,745	-	-
Sub- total	17,758,600	22,283,020	16,564,154	26,954,903
Bank Asia Securities Ltd.				
Premier Leasing & Finance Ltd.	716,625	1,891,890	926,100	1,891,890
Fu-Wang Foods Ltd.	-	-	1,828,600	2,053,863
Shurwid Industries Ltd.	-	-	2,603,824	3,430,967
National Tea Company Ltd.	671,200	758,797	-	-
Lub-rref (Bangladesh) Limited	5,048,950	5,568,799	-	-
Sonar Bangla Insurance Ltd.	989,430	1,529,609	-	-
Sub- total	7,426,205	9,749,095	5,358,524	7,376,720
LankaBangla Securities Ltd.				
Lub-rref (Bangladesh) Limited	7,864,630	8,300,993	-	-
National Tea Company Ltd.	671,200	757,790	-	-
Phoenix Insurance Company Ltd.	410,000	673,179	-	-
Reliance Insurance Ltd.	822,000	1,228,063	-	-
Bdcom Online Ltd.	-	-	1,420,296	1,517,300
Fu-Wang Foods Ltd.	-	-	1,869,600	2,026,507
Paramount Textiles Ltd.	-	-	1,929,520	1,951,541
Shurwid Industries Ltd.	-	-	2,108,620	2,787,201
Sub- total	9,767,830	10,960,024	7,328,036	8,282,548
Grand Total	34,952,635	42,992,139	29,250,714	42,614,171

Fair value adjustments	2021-2022	2020-2021
Cost Price	42,992,139	42,614,171
Market Price	34,952,635	29,250,714
Unrealized gain / (Loss)	(8,039,504)	(13,363,458)

ORION PHARMA LIMITED
Fixed deposit with Banks
As at 30 June 2022

Annexure-D

Amount in Taka

Sl. No.	Name of Bank	Instrument no.	Opening balance 01.07.2021	Re-Invested amount	Interest income				Closing balance 30.06.2022
					Accrued during the year	Accrued previous year	Realized during the year	Income during the year	
1	Social Islami Bank Ltd.-MTDR	0025311263757	1,928,889	2,027,508	5,039	109,576	110,529	10,958	2,027,508
2	Social Islami Bank Ltd.-MTDR	0025311260179	2,968,467	3,116,075	18,904	164,009	166,112	16,401	3,116,075
3	Social Islami Bank Ltd.-MTDR	0025311255512	4,064,214	4,266,309	47,783	224,550	229,867	22,455	4,266,309
	Sub total		8,961,570	9,409,892	72,679	498,135	506,508	49,814	9,409,892
4	Agrani Bank Ltd. - FDR	0200012680805	1,707,764	1,785,717	13,006	86,615	85,112	8,661	1,785,717
5	Agrani Bank Ltd. - FDR	0200012310124	2,876,942	3,010,944	25,392	148,891	145,475	14,889	3,010,944
6	Agrani Bank Ltd. - FDR	0200014640393	3,240,538	3,388,457	8,226	164,355	162,256	16,435	3,388,457
7	Agrani Bank Ltd. - FDR	0200013746146	3,829,540	4,007,912	40,458	198,191	193,911	19,819	4,007,912
8	Agrani Bank Ltd. - FDR	0200015973723	3,000,000	3,230,667	29,722	256,297	159,019	25,630	3,230,667
9	Agrani Bank Ltd. - FDR	0200017085485	-	4,500,000	270,750	-	270,750	-	4,500,000
10	Agrani Bank Ltd. - FDR	0200018080312	-	2,500,000	62,083	-	62,083	-	2,500,000
	Sub total		14,654,784	22,423,697	449,638	854,349	1,078,606	85,435	22,423,697
	Total		23,616,354	31,833,589	522,317	1,352,484	1,585,115	135,248	31,833,589

ORION PHARMA LIMITED
Balance with Banks on Account
As at 30 June 2022

Annexure - E

Amount in Taka

Sl. No.	Name of Bank	Name of Branch	Account Number	30 June 2022	30 June 2021
Current Accounts (Main)					
1	Pubali Bank Ltd.	Tejgaon Branch, Dhaka	1256	28,337	-
2	Sonali Bank Ltd.	Tejgaon Branch, Dhaka	275/4	47,201	47,201
3	Agrani Bank Ltd.	Wasa Branch, Dhaka	797310	4,571,706	4,056,956
4	Rupali Bank Ltd.	TCB Branch, Dhaka	708	-	21,547
5	National Bank Ltd.	Mohakhali Branch	34017	10,761,879	33,050
6	ICB Islami Bank Ltd.	Principal Office, Dhaka	6417	2,889,602	2,892,947
7	The City Bank Ltd.	Principal Branch, Dhaka	110558491	5,000	5,000
8	The City Bank Ltd.	Gulshan Branch, Dhaka	11001	-	-
9	Social Islami Bank Ltd.	Principal Branch, Dhaka	55830	18,469,859	459,890
10	Bank Al-Falah Ltd.	Motijheel Branch, Dhaka	2965	8,500	8,500
11	Agrani Bank Ltd.	Principal Branch, Dhaka	3884	557,450	558,640
12	Sonali Bank Ltd.	Farmgate Branch	33010919	85,566	1,369,548
13	AB Bank Ltd	Principal Branch	4005-784715-000	10,515,860	383,923
14	The Premier Bank Ltd	Gulshan Branch	5448	-	93,435
15	AL-Arafa Islami Bank Ltd.	Corporate Branch, Dhaka	50228	20,785	21,475
16	Agrani Bank Ltd.	Shiddirgonj Branch	5002	1,388,842	21,717
17	Rupali Bank Ltd.	Local office Branch	262	5,585,230	134,220,214
18	Janata Bank Ltd.	Janata Bhaban Corp.Br.	215636181	-	48,879
19	Janata Bank Ltd.	Motijheel Corpo. Br.	216730067	85,961	26,045
20	Agrani Bank Ltd.	Ctg. Port Branch.	16397548	48,908	49,655
21	Social Islmi Bnk Ltd.	Principal Branch	1464	3,333,768	57,362
22	Agrani Bank Ltd.	Wasa Corp. Br	1232	40,822	30,081,512
23	Agrani Bank Ltd.	Wasa Corp. Br (ERQ)	200014863618	2,511,327	2,278,952
Sub Total (i)				60,956,602	176,736,448
Current Accounts (Collection)					
24	Agrani Bank Ltd.	Chattogram Branch,	363	15,979	15,979
25	Agrani Bank Ltd.	Bogura Branch, Bogura	1233	11,659	11,659
26	Agrani Bank Ltd.	Rupsha Stand Road, Khulna	6069	394,614	896,538
27	Agrani Bank Ltd.	Barishal Branch, Barishal	1804	318	318
28	Agrani Bank Ltd.	Sylhet Branch, Sylhet	1866/1314	7,303	7,303
29	Agrani Bank Ltd.	Court Road Br. Narayangong	6467	1,019,106	326,980
30	Agrani Bank Ltd.	Rangpur Branch, Rangpur	4405	68	68
31	Agrani Bank Ltd.	Monoharpur Br. Cumilla	5304	70	70
32	Agrani Bank Ltd.	Faridpur Branch, Faridpur	4008	734,739	9,433
33	National Bank Ltd.	Bogura Branch, Bogura	1565	734,589	120,569
34	National Bank Ltd.	Barishal Branch, Barishal	0382	1,859,125	2,158,356
35	National Bank Ltd.	Subid Bazar Branch, Sylhet	7190	484,893	687,285
36	National Bank Ltd.	Mymensingh Branch	2957	420,001	364,276
37	National Bank Ltd.	Rangpur Branch, Rangpur	6653	367,573	42,376
38	National Bank Ltd.	Babu Bazar Branch, Dhaka	2378	-	19,016
39	Sonali Bank Ltd.	Greter Road Br. Rajshahi	1432	380,695	25,037
40	Agrani Bank Ltd.	Chowmohani Branch	9074	545,360	275,341
41	ICB Islami Bank Ltd.	Chattogram Branch,	2978	13,744	13,744
42	National Bank Ltd.	Gonestala Road, Dinajpur	3678	680,601	5,514
43	National Bank Ltd.	Tangail	2605	377,453	2,890
44	National Bank Ltd.	Moulavibazar	7153	784,271	610,914
45	Agrani Bank Ltd.	New Market Br. Kustia	8152	406,518	65,968
46	National Bank Ltd.	Cox's Bazar	13962	130,362	4,396
47	Agrani Bank Ltd.	BSCIC Cumilla	6639	1,246,892	876
48	National Bank Ltd.	CDA, Chattogram	6171	600,675	2,025
49	National Bank Ltd.	Sikder Tower Branch Sylhet	9870	-	28,525
50	Agrani Bank Ltd.	Wasa Corp. Br	Fund Buildup	1,846,216	4,976,612
Sub Total (ii)				13,062,824	10,672,067
Sub Total (i+ii)				74,019,426	187,408,515
STD Accounts					
51	National Bank Ltd.	Mohakhali	2515	1,937,931	50,307
52	Bank Asia Ltd.	Mohakhali	00038	1,089,183	271,388
53	Agrani Bank Ltd.	WASA Branch	99023	477,533	908,615
54	AB Bank Ltd.	Principal Branch	784715-000	-	131,810
55	Bank Asia Ltd.	Mohakhali	000190	63,957	64,521
56	AB Bank Ltd.	Principal Branch	760188-430	146,404	103,156
57	Brac Bank Ltd	Gulshan Branch	250001	625,596	623,237
Sub Total (iii)				4,340,604	2,153,034
Total Balance in current & STD accounts (i+ii+iii)				78,360,030	189,561,549

ORION PHARMA LIMITED AND ITS SUBSIDIARIES
Provision for Decommissioning of Assets
As at 30 June 2022

Annexure - F

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
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 be removed from the land. The company has recognized a provision for decommission obligations associated the electricity generating facility. In determining 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 , 2022 was BDT 143,405,563.

Directors' report and
audited financial statements
of the subsidiaries

Orion Power Meghnaghat Ltd.
Dutch Bangla Power & Associates Ltd.

Subsidiary 1

Orion Power Meghnaghat Limited



Directors' report

Reference to the provisions of Section 184 of the Companies Act 1994, and IAS/ IFRS 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 of Orion Power Meghnaghat Limited to the shareholders together with the audited financial statements containing Statement of Financial Position as at June 30, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the financial statements for the year ended June 30, 2022 at this Annual General Meeting.

Operations

Orion Power Meghnaghat Limited (OPML) is a power generation company and was incorporated on June 30, 2010 as "IEL Consortium and Associates Ltd.". The name of the company was changed the name to "Orion Power Meghnaghat Limited" on January 18, 2012. OPML completed implementation of a 100 MW HFO Power based plant on quick rental basis in Meghnaghat, Narayanganj, near the bank of the Meghna river and has been in commercial operation since May 08, 2011.

The company aims at delivering reliable and most affordable electricity across the country by using brand new European machineries and equipment. OPML has been in profitable operations all over the years till date. All employees and staffs are working round the clock in 3 (three) shifts. Orion Pharma Ltd. holds 95% of equity share of this company.

Appointment of Auditors

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditors of the company in the last Annual General Meeting, will retire in the ensuing 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 BPDB, employees, 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

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
Mohammad Obaidul Karim	500,000	0.50
Salman Obaidul Karim	600,000	0.60
Arzuda Karim	350,000	0.35
Haarhuis Genertoren B.V.	50,000	0.05
Total	100,000,000	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
Mr. Md. Shafiqur Rahman	Nominated Director

Financial reviews

The summary of the comparative analysis of results of 2021-22 and 2020-21 is as follows:

Particulars	Amount in BDT	
	2021-22	2020-21
Revenue	3,425,848,125	3,494,973,539
Gross profit	142,143,862	488,753,000
Profit from operation	115,683,015	459,309,964
Net Profit before tax	109,272,816	326,409,339
Net Profit after tax	109,272,816	326,409,339
Total assets	10,421,409,434	8,335,624,010
Shareholders' equity	5,296,661,416	5,187,388,600
Earnings per share	1.09	3.26
Net asset value per share	52.97	51.87

Orion Power Meghnaghat Ltd.

Auditors' Report & Financial Statements as at and for the year ended 30 June 2022

S.F. AHMED & CO.

Chartered Accountants | since 1958

House # 51 (2nd Floor), Road # 9, Block F,
Banani, Dhaka 1213, Bangladesh

Phones: (880-2) 222294026 & 222270957

E-mails: (i) sfaco@dhaka.net; (ii) sfaco@sfahmedco.com



WE ARE AN INDEPENDENT MEMBER OF
**THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK**

AUDITORS' REPORT TO THE SHAREHOLDERS
of
Orion Power Meghnaghat Ltd.

Opinion

We have audited the financial statements of Orion Power Meghnaghat Ltd. (the "Company"), which comprise the financial position as at 30 June 2022, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2022, and of its performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and, we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements 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 accounts.

Firm's Name : S. F. Ahmed & Co., Chartered Accountants
Firm's Registration No. : 10898 E.P, under Partnership Act 1932
Signature : 
Engagement Partner Name : Md. Enamul Haque Choudhury, FCA,
Senior Partner/Enrollment No. 471
DVC Number : 2210250471AS151183
Date : 25 October 2022

Orion Power Meghnaghat Ltd.
Statement of Financial Position
As at 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,761,086,013	2,796,966,476
Investments	5	1,901,500,000	1,901,500,000
		4,662,586,013	4,698,466,476
Current assets			
Inventories	6	527,482,628	445,899,249
Trade and other receivables	7	4,980,569,262	2,916,125,359
Advances, deposits and prepayments	8	242,130,607	163,953,802
Cash and cash equivalents	9	8,640,923	111,179,123
		5,758,823,421	3,637,157,533
TOTAL ASSETS		10,421,409,434	8,335,624,010
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,000,000,000	1,000,000,000
Revaluation surplus		147,747,283	149,947,408
Retained earnings		4,148,914,134	4,037,441,192
		5,296,661,416	5,187,388,600
Non-current liabilities			
Long term borrowings	11	1,156,488,689	1,727,522,929
Provision for decommission of assets	12	143,405,563	143,405,563
		1,299,894,252	1,870,928,492
Current liabilities			
Employee benefits payable	13	41,021,592	35,557,952
Trade and other payables	14	3,668,318,122	1,139,044,011
Accrued expenses	15	115,514,051	102,704,955
		3,824,853,765	1,277,306,918
TOTAL EQUITY AND LIABILITIES		10,421,409,434	8,335,624,010

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

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

Dated, Dhaka;
25 October 2022

Sd/-
Md. Enamul H. Choudhury
Senior Partner
S. F. Ahmed & Co.
Chartered Accountants
DVC No. 2210250471AS151183

Orion Power Meghnaghat Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	Amount in BDT	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Revenue	16	3,425,848,125	3,494,973,539
Cost of power generation	17	(3,283,704,264)	(3,006,220,538)
Gross profit		142,143,862	488,753,000
Operating expenses			
General and administrative expenses	18	(26,460,847)	(29,443,036)
Profit from operation		115,683,015	459,309,964
Finance cost	19	(81,366,474)	(116,580,159)
Interest & other income		80,419,916	-
Net profit from operation		114,736,457	342,729,806
Workers profit participation fund		(5,463,641)	(16,320,467)
Net profit before tax		109,272,816	326,409,339
Income Tax Expenses		-	-
Net profit after tax		109,272,816	326,409,339
Other comprehensive income		-	-
Total comprehensive income for the year		109,272,816	326,409,339
Basic Earning Per Share (EPS)	20	1.09	3.26

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

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

Dated, Dhaka;
25 October 2022

Sd/-
Md. Enamul H. Choudhury
Senior Partner
S. F. Ahmed & Co.
Chartered Accountants
DVC No. 2210250471AS151183

Orion Power Meghnaghat Ltd.
Statement of Changes in Equity
For the year ended 30 June 2022

	Amount in BDT			
	Share Capital	Revaluation Surplus on fixed assets	Retained Earnings	Total
Balance at 01 July 2021	1,000,000,000	149,947,408	4,037,441,192	5,187,388,600
Transfer of depreciation on revaluation surplus to retained earnings	-	(2,200,125)	2,200,125	-
Net profit after tax	-	-	109,272,816	109,272,816
Balance at 30 June 2022	1,000,000,000	147,747,283	4,148,914,134	5,296,661,416
Balance at 01 July 2020	1,000,000,000	164,228,116	3,696,751,145	4,860,979,261
Transfer of depreciation on revaluation surplus to retained earnings	-	(14,280,708)	14,280,708	-
Net profit after tax	-	-	326,409,339	326,409,339
Balance at 30 June 2021	1,000,000,000	149,947,408	4,037,441,192	5,187,388,600

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated, Dhaka;
25 October 2022

Orion Power Meghnaghat Ltd.
Statement of Cash Flows
For the year ended 30 June 2022

	Amount in BDT	
	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
A. Cash flows from operating activities		
Cash receipts from customers and others	972,246,423	3,254,580,648
Cash paid to suppliers, employees and other parties	(893,426,462)	(2,500,464,328)
Net cash provided by operating activities	78,819,961	754,116,321
B. Cash flows from investing activities		
Acquisition of Property, plant and equipment	(330,744)	(2,758,300)
Net cash used in investing activities	(330,744)	(2,758,300)
C. Cash flows from financing activities		
Proceed from/(Repayment of) long term borrowings	(571,034,240)	(1,214,317,288)
Repayment of short term borrowings/finance	388,758,907	394,819,735
Payment against finance cost	1,247,916	(121,681,053)
Net cash used in financing activities	(181,027,417)	(941,178,606)
Net changes in cash and cash equivalents (A+B+C)	(102,538,200)	(189,820,586)
Cash and cash equivalents at the beginning of the year	111,179,123	300,999,709
Cash and cash equivalents at the end of the year	8,640,923	111,179,123

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated, Dhaka;
25 October 2022

Orion Power Meghnaghat Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

1. Corporate information

Orion Power Meghnaghat Ltd., a public limited company in Bangladesh, was incorporated on June 30, 2010 as "IEL Consortium and Associates Ltd." 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 Orion House, 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, Sonargaon, Narayanganj with machineries and equipment's 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 five (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. The contract then expired on 07 May 2021. The government renewed the contract for two (2) years effective from 24 March 2022 vide memo no - 27.11.0000.101.14.020.22-1697 dated: 10 April 2022. The purpose of this contract is to supply of Net Energy Output, under the terms and conditions provided "No Electricity, No Payment and also without any guaranteed Minimum Off-take" basis by Rental Power Company by BPDB.

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 International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

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 buildings & civil constructions and plant & 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 an IFRS.

2.8 Statement of cash flows

The Statement of Cash Flows has been prepared under "Direct Method" in accordance with the requirements of IAS 7: Statement of Cash Flows.

2.9 Reporting period

The financial period of the company covers one year from 01 July 2021 to 30 June 2022.

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the twelve months period from 01 July 2020 to 30 June 2021 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.

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standard (IASs) and International Financial Reporting Standards (IFRSs) 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 IAS 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 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.

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 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 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 gets ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a reducing balance method effective from 01 July 2021 at the following rates:

<u>Group of PPE</u>	<u>Expected economic life</u>
Building & civil construction	5%
Vehicles	20%
Office equipments	10%
Furniture & fixtures	10%
Plant & machineries	5%

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 International Accounting Standards (IAS) 36 unless the asset is revalued in accordance with IAS 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 International Accounting Standard (IAS) 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 International Accounting Standard (IAS) 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 Meghnaghat 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 carrying amount of the provision as at 30 June 2021 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 as income or expenses in the statement of profit or loss and other comprehensive income.

3.8 Borrowing cost

In compliance with the requirement of IAS 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 IAS 23.

3.10 Financial instrument

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and amortized cost.

The company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the company is recognized as a separate asset or liability.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Financial assets at fair value through other comprehensive income

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognized in other comprehensive income (OCI) and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Amortized cost

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Impairment of financial instruments

Financial assets

The company considers evidence of impairment for financial assets at both a specific asset and collective asset level at each reporting date. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor will enter bankruptcy, etc. accordingly, 100% provision is made over the amount outstanding.

Non-financial assets

The carrying amounts of the company's non-financial assets (tangible and intangible) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.11 Segment reporting

No geographical and operational segment reporting is applicable for the company as required by IFRS 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 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 30 June 2022.

Guarantees

The company has given a bank guarantee of BDT 20,501,000 (BDT 20,501,000; 2021) to BPDB.

4 Property, plant and equipment

Sl. No.	Group of PPE	COST		Rate (%)	Depreciation		Written Down Value as at 30.06.2022
		Balance as at 01.07.2021	Addition during the year		Balance as at 01.07.2021	Charged during the year	
A. At historical cost							
	Building & civil construction	541,035,963	-	5%	531,406,756	481,460	9,147,747
	Plant & machineries	5,337,605,102	-	5%	2,703,496,574	32,926,357	2,601,182,172
	Vehicles	14,456,948	-	20%	12,036,373	484,115	1,936,460
	Office equipments	15,560,249	330,744	10%	14,699,492	119,150	1,072,351
	Furniture & fixtures	3,804,777	-	10%	3,804,777	-	-
	Sub Total	5,912,463,039	330,744		3,265,443,972	34,011,082	2,613,338,729
B. Revaluation							
2	Building & civil construction	16,547,715	-	5%	7,860,180	434,377	8,253,158
3	Plant & machineries	269,066,416	-	5%	127,806,542	1,765,748	139,494,126
	Sub Total	285,614,131	-		135,666,722	2,200,125	147,747,284
	Total 30 June 2022 (A+B)	6,198,077,170	330,744		3,401,110,694	36,211,207	2,761,086,013
	Total 30 June 2021	6,195,318,870	2,758,300		3,105,133,719	295,976,975	2,796,966,476

Amount in BDT

		Amount in BDT	
		30 June 2022	30 June 2021
5	Investments		
	Energon Renewables (BD) Ltd.	1,500,000	1,500,000
	Orion Power Unit-2 Dhaka Limited.	1,900,000,000	1,900,000,000
		1,901,500,000	1,901,500,000
6	Inventories		
	Spare parts	332,404,185	329,478,044
	HFO, Mobil & Chemical	194,165,856	116,421,205
	Import related expenses-spare parts	912,587	-
		527,482,628	445,899,249
7	Trade receivables		
	Receivables from BPDB	3,690,933,658	1,237,331,956
	Current account with other related companies (Note - 7.01)	1,289,635,604	1,678,793,403
		4,980,569,262	2,916,125,359
7.01	Current account with other related companies		
	Dutch Bangla Power and Associates Ltd.	648,865,092	785,238,779
	Orion Gas Ltd.	12,700,000	12,700,000
	Digital Power & Associates Ltd.	140,221,608	137,738,119
	Orion Footwear Ltd.	62,892,596	62,892,596
	Orion Oil & Shipping Ltd.	24,726,986	145,126,986
	Orion Power Unit -2 Dhaka Ltd.	23,062,182	160,265,452
	Orion Power Dhaka Ltd.	85,928,249	85,652,077
	Noakhali Gold Foods Ltd.	10,859,928	10,859,928
	Orion Agro Product Ltd.	5,968,510	5,968,510
	Orion Home Appliance Ltd.	1,007,496	1,048,000
	Orion Power Rupsha Ltd.	137,633,401	135,733,401
	Orion Quaderia Textiles Limited	130,000,000	130,000,000
	Orion Hospital Ltd.	4,000,000	3,800,000
	Orion Properties Ltd.	1,769,557	1,769,557
		1,289,635,604	1,678,793,403
8	Advances, deposits and prepayments		
	Advances (Note- 8.01)	101,019,754	14,178,830
	Deposits (Note- 8.02)	128,234,703	128,234,703
	Prepayments (Note- 8.03)	12,876,150	21,540,269
		242,130,607	163,953,802
8.01	Advances		
	Advance to employees	6,565,246	1,099,727
	TDR - Phoneix Finance	135,500	135,500
	Advance to suppliers	12,532,580	11,732,255
	Advance income tax	1,366,512	1,211,348
	Other advances	80,419,916	-
		101,019,754	14,178,830

		Amount in BDT	
		30 June 2022	30 June 2021
8.02 Deposits			
Bank guarantee Margin - BPDB		20,501,000	20,501,000
Bank guarantee Margin - Janata Bank Ltd		24,000,000	24,000,000
Bank guarantee Margin - Others		3,879,300	3,879,300
L/C Margin account		79,854,403	79,854,403
		128,234,703	128,234,703
8.03 Prepayments			
Bank guarantee commission		12,719,192	21,328,945
Insurance premium		156,958	211,324
		12,876,150	21,540,269
9 Cash and cash equivalents			
Cash in hand	(Note- 9.01)	1,183,262	2,542,261
Cash at bank	(Note- 9.02)	7,457,661	108,636,862
		8,640,923	111,179,123
9.01 Cash in hand			
Cash - Head Office		569,620	2,542,261
Petty Cash - Site Office		613,642	-
		1,183,262	2,542,261
9.02 Cash at bank			
Agrani Bank Limited Principal Branch A/C-0200000121457		225,080	447,363
Janata Bank Ltd, A/C No: 0100206811816		108,452	41,979,734
Bank Asia Ltd. A/C-02836000112		1,449,707	7,969,827
FSIBL A/C 1121110000572		284,956	187,096
Social Islami Bank Limited, A/C No. 13300058029		231,259	232,099
AB Bank Limited. A/c. 4005788335000		4,772,832	7,546,023
Premier Bank, Motijheel - 10811100017352		265,413	266,426
IBBL A/C No- 20501360100448316		44,299	45,000
Janata Bank Limited. FC A/C No. 0100207160410		-	49,887,631
Agrani Bank Limited, A/C No. 264033		75,663	75,663
		7,457,661	108,636,862
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
		1,000,000,000	1,000,000,000

The shareholding position of the company are as under:

Shareholder	Number of share	30 June 2022	30 June 2021
Orion Pharma Ltd.	95,000,000	950,000,000	950,000,000
Integral Energy Ltd.	3,000,000	30,000,000	30,000,000
Jafflong Tea Company Ltd.	500,000	5,000,000	5,000,000
Mohammad Obaidul Karim	500,000	5,000,000	5,000,000
Salman Obaidul Karim	600,000	6,000,000	6,000,000
Arzuda Karim	350,000	3,500,000	3,500,000
Haarhuis Genertoren B.V.	50,000	500,000	500,000
	100,000,000	1,000,000,000	1,000,000,000

		Amount in BDT	
		30 June 2022	30 June 2021
11	Long term borrowings		
	Mashreq Bank PSC, Dubai	1,156,488,689	1,727,522,929
		1,156,488,689	1,727,522,929
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	Employee benefits payable		
	Employee welfare fund (Note-13.01)	4,102,159	3,555,795
	Bangladesh workers welfare foundation (Note-13.02)	4,102,159	3,555,795
	Workers profit participation fund (Note-13.03)	32,817,274	28,446,361
		41,021,592	35,557,952
13.01	Employee welfare fund		
	Opening balance	3,555,795	1,923,748
	Add: Addition during the year	546,364	1,632,047
	Less: Payment during the year	-	-
		4,102,159	3,555,795
13.02	Bangladesh workers welfare foundation		
	Opening balance	3,555,795	1,923,748
	Add: Addition during the year	546,364	1,632,047
	Less: Payment during the year	-	-
		4,102,159	3,555,795
13.03	Workers profit participation fund		
	Opening balance	28,446,361	15,389,988
	Add: Addition during the year	4,370,913	13,056,374
	Less: Payment during the year	-	-
		32,817,274	28,446,361
WPPF is charged @ 5% of net profit before tax as per labor act 2006 (Amended in 2008), whereas 80% is allocated to "Worker profit participation fund", 10% to "Employee welfare fund" and 10% to "Bangladesh workers welfare foundation".			
14	Trade and other payables		
	Accounts payable - suppliers	3,541,715,007	1,043,462,691
	Current account with inter companies (Note-14.01)	126,603,115	95,581,320
		3,668,318,122	1,139,044,011
14.01	Current account with inter companies		
	Interior Accom Consortium Ltd.	33,157,000	33,157,000
	Orion Capital Ltd.	18,420,000	18,420,000
	Energion Renewables (BD) Ltd.	3,000,000	3,000,000
	Orion Power Sonargaon Ltd.	72,026,115	41,004,320
		126,603,115	95,581,320
15	Accrued expenses		
	Salary and other allowance	8,942,597	9,090,271
	Director's remuneration	4,499,996	4,500,000
	Lease Finance- Phoneix Finance	17,313	416,205
	Interest Payable - Mashreq Dubai	2,490,209	295,736
	Retention money	2,089,606	2,089,606
	Withholding VAT	12,925,937	12,827,439
	Withholding Tax	9,908,559	9,936,724
	Audit fees	345,000	345,000
	Provision for gratuity	10,265,739	10,403,024
	Other payable	64,029,095	52,800,950
		115,514,051	102,704,955

		Amount in BDT	
		30 June 2022	30 June 2021
16	Revenue		
	Reference rental price	-	1,127,339,703
	Reference energy price (Variable - O&M)	507,652,878	90,336,408
	Sales Revenue - HFO OOSL	2,917,886,191	2,283,913,377
	Foreign exchange gain /(Loss)	309,056	(6,615,949)
		3,425,848,125	3,494,973,539
17	Cost of power generation		
	Opening Balance	116,421,205	50,537,832
	Add: Purchase (Note - 17.01)	3,202,016,024	2,467,150,957
		3,318,437,229	2,517,688,789
	Less: Closing Balance	194,165,856	116,421,205
		3,124,271,372	2,401,267,584
	Add: Plant overhead (Note - 17.02)	159,432,891	604,952,954
		3,283,704,264	3,006,220,538
17.01	Purchase of raw material		
	Mobil & Chemical	41,397,098	39,371,839
	HFO - OOSL	3,160,618,926	2,427,779,118
		3,202,016,024	2,467,150,957
17.02	Plant overhead		
	O & M services	20,210,939	87,009,937
	Repair & maintenance	19,297,368	106,650,985
	Salaries & allowances	62,799,519	69,031,429
	Tours & travels	8,604,331	5,831,980
	Foreign exchange loss	9,144,997	9,647,123
	Land rent	3,070,682	7,258,319
	Depreciation	36,211,207	295,976,975
	Insurance, taxes & duties	93,848	1,149,072
	Miscellaneous expenses	-	22,397,135
		159,432,891	604,952,954
18	General and administrative expenses		
	Directors remuneration	8,400,000	8,400,000
	Advertisement	360,000	4,162,895
	Entertainment	1,442,726	1,935,882
	Fooding expenses	5,407,059	5,182,629
	Plant office utilities	545,320	540,063
	Plant office communication	1,352,071	1,468,397
	Fees & taxes	2,317,862	1,775,553
	Stationary, accessories & supplies	53,997	169,251
	Security service	4,946,262	3,887,046
	Consultancy fees	1,053,750	1,466,320
	Audit fee	345,000	345,000
	CSR	236,800	110,000
		26,460,847	29,443,036
19	Finance cost		
	Interest Expense	49,473,719	77,723,053
	Interest Expenses- Lease Finance (Phoneix Finance)	13,562	92,799
	Bank commission & VAT on Commission	31,725,585	37,985,722
	Bank charges & others	153,608	778,585
		81,366,474	116,580,159
20	Earning per share		
	The computation is given below:		
	Profit after tax	109,272,816	326,409,339
	Number of ordinary shares outstanding during the period	100,000,000	100,000,000
	Basic earning per share (EPS)	1.09	3.26

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, 2022:

	Long term borrowings	Provision for Decommission of Assets	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	3,668,318,122	115,514,051	3,783,832,173
Amount repayable within 2 to 5 years	1,156,488,689	143,405,563	-	-	1,299,894,252

22 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2022 are as follows:

Name of Related Parties	Relationship	Nature of Transaction	Opening Balance as on 01. 07. 2021	Addition	Adjustment	Closing Balance as on 30. 06. 2022
Orion Pharma Ltd	Holding Company	Investment in Share Capital	(950,000,000)	-	-	(950,000,000)
Dutch Bangla Power & Associates Ltd	Common director/ Share holding	Intercompany Current A/C	785,238,779	4,483,567	(140,857,254)	648,865,092
Interior Accom Consortium Ltd	Common director/ Share holding	Intercompany Current A/C	(33,157,000)	-	-	(33,157,000)
Orion Gas Ltd	Common director/ Share holding	Intercompany Current A/C	12,700,000	-	-	12,700,000
Digital Power & Associates Ltd	Common director/ Share holding	Intercompany Current A/C	137,738,119	2,532,685	(49,195)	140,221,608
Orion Power Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	85,652,077	276,172	-	85,928,249
Orion Properties Ltd.	Common director/ Share holding	Intercompany Current A/C	1,769,557	-	-	1,769,557
Orion Capital Ltd.	Common director/ Share holding	Intercompany Current A/C	(18,420,000)	-	-	(18,420,000)
Orion Footwear Ltd.	Common director/ Share holding	Intercompany Current A/C	62,892,596	-	-	62,892,596
Orion Oil & Shipping Ltd.	Common director/ Share holding	Intercompany Current A/C	145,126,986	8,000,000	(128,400,000)	24,726,986
Noakhali Gold Foods Ltd.	Common director/ Share holding	Intercompany Current A/C	10,859,928	-	-	10,859,928
Orion Power Unit-2 Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	160,265,452	-	(137,203,271)	23,062,181
Orion Agro Product Ltd.	Common director/ Share holding	Intercompany Current A/C	5,968,510	-	-	5,968,510
Orion Home Appliance Ltd.	Common director/ Share holding	Intercompany Current A/C	1,048,000	-	(40,504)	1,007,496
Orion Power Rupsha Ltd.	Common director/ Share holding	Intercompany Current A/C	135,733,401	47,800,000	(45,900,000)	137,633,401
Orion Power Sonargaon Ltd.	Common director/ Share holding	Intercompany Current A/C	(41,004,320)	3,295,600	(34,317,395)	(72,026,115)
Orion Quaderia Textiles Limited	Common director/ Share holding	Intercompany Current A/C	130,000,000	-	-	130,000,000
Energion Renewables (BD) Ltd.	Common director/ Share holding	Intercompany Current A/C	(3,000,000)	15,800,000	(15,800,000)	(3,000,000)
Orion Hospital Ltd.	Common director/ Share holding	Intercompany Current A/C	3,800,000	200,000	-	4,000,000

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	8,400,000
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	-
Share Based payments	-
(i) Pensions	-
(ii) Gratuities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-

23 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2022	Plant factor 2021
		(% on licensed capacity)	(% on licensed capacity)
100 MW	106.80 MW	Average 57.00% Max. 78.00%	Average 34.00% Max. 62.00%

24 Employee details

During the period, there were 114 employees employed for the full year and the end of the period, there were 114 employees in the company with remuneration of BDT 7,855 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 25 October 2022.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated, Dhaka;
25 October 2022

Subsidiary 2

Dutch Bangla Power & Associates Ltd.



Directors' report

Reference to the provisions of Section 184 of the Companies Act 1994, and IAS/ IFRS 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 of Dutch Bangla Power & Associates Limited to the shareholders together with the audited financial statements containing Statement of Financial Position as at June 30, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the financial statements for the year ended June 30, 2022 at this Annual General Meeting.

Operations

Dutch Bangla Power & Associates Limited (DBPAL) is a power generation company and was incorporated on July 1, 2010 as a public limited company in Bangladesh. The company has set up a 100 MW HFO power plant on quick rental basis in Siddhirganj, Narayanganj, near the bank of the Shitalakshya river and has been in commercial operation since July 21, 2011.

The use of world class equipment and deployment of world class EPC contractor enabled us to finish this project in due time, the erection period of this project was only 9 (nine) months. DBPAL has been in profitable operations all over the years till date. All employees and staffs are working round the clock in 3 (three) shifts. Orion Pharma Ltd. holds 67% of equity share of this company.

Appointment of Auditors

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditors of the company in the last Annual General Meeting, will retire in the ensuing 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 BPDB, employees, 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

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
Mrs. Arzuda Karim	10,000	0.10
Mr. Salman Obaidul Karim	3,087,500	30.88
Shenzen Nanshan Power Co. Limited	50,000	0.50
Jafflong Tea Company Limited	2,500	0.02
Orion Tea Company Limited	50,000	0.50
Total	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
Mr. Md. Shafiqur Rahman	Nominated Director

Financial reviews

The summary of the comparative analysis of results of 2021-22 and 2020-21 is as follows:

Particulars	Amount in BDT	
	2021-22	2020-21
Revenue	3,240,594,379	4,725,273,292
Gross profit	187,018,682	695,030,773
Profit from operation	163,527,849	665,555,315
Net profit before tax	118,799,860	513,213,421
Net profit after tax	118,799,860	513,213,421
Total assets	9,777,309,437	9,614,231,308
Shareholders' equity	3,610,623,729	3,491,823,870
Earnings per share	11.88	51.32
Net asset value per share	361.06	349.18

Dutch Bangla Power & Associates Ltd.

Auditors' Report & Financial Statements as at and for the year ended 30 June 2022

S.F. AHMED & CO.

Chartered Accountants | since 1958

House # 51 (2nd Floor), Road # 9, Block F,
Banani, Dhaka 1213, Bangladesh

Phones: (880-2) 222294026 & 222270957

E-mails: (i) sfaco@dhaka.net; (ii) sfaco@sfahmedco.com



WE ARE AN INDEPENDENT MEMBER OF
**THE GLOBAL ADVISORY
AND ACCOUNTING NETWORK**

AUDITORS' REPORT TO THE SHAREHOLDERS
of
DUTCH BANGLA POWER AND ASSOCIATES LTD.

Opinion

We have audited the financial statements of Dutch Bangla Power and Associates Ltd. (the "Company"), which comprise the financial position as at 30 June 2022, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2022, and of its performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and, we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements 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 accounts.

Firm's Name : S. F. Ahmed & Co., Chartered Accountants
Firm's Registration No. : 10898 E.P. under Partnership Act 1932
Signature : 
Engagement Partner Name : Md. Enamul Haque Choudhury, FCA,
Senior Partner/Enrollment No. 471
DVC Number : 2210250471AS709420
Date : 25 October 2022

Dutch Bangla Power and Associates Ltd.
Statement of Financial Position
As at 30 June 2022

	Notes	Amount in BDT	
		30 June 2022	30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,616,195,761	3,676,840,983
Investment	5	1,900,000,000	1,900,000,000
		5,516,195,761	5,576,840,983
Current assets			
Inventories	6	486,394,872	574,142,877
Trade and other receivables	7	3,460,268,596	3,093,670,359
Advances, deposits and prepayments	8	307,369,934	266,368,769
Cash and cash equivalents	9	7,080,275	103,208,321
		4,261,113,676	4,037,390,326
TOTAL ASSETS		9,777,309,437	9,614,231,308
EQUITY AND LIABILITIES			
Equity			
Share capital	10	100,000,000	100,000,000
Revaluation surplus		335,986,498	336,711,743
Retained earnings		3,174,637,230	3,055,112,126
		3,610,623,729	3,491,823,870
Non-current liabilities			
Long term borrowings	11	1,150,554,655	1,728,914,615
		1,150,554,655	1,728,914,615
Current liabilities			
Employee benefits payable	12	39,498,561	33,558,567
Trade and other payables	13	4,809,587,469	4,200,948,875
Accrued expenses	14	167,045,023	158,985,381
		5,016,131,053	4,393,492,823
TOTAL EQUITY AND LIABILITIES		9,777,309,437	9,614,231,308

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

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

Dated, Dhaka;
25 October 2022

Sd/-
Md. Enamul H. Choudhury
Senior Partner
S. F. Ahmed & Co.
Chartered Accountants
DVC No. 2210250471AS709420

Dutch Bangla Power and Associates Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Notes	Amount in BDT	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Revenue	15	3,240,594,379	4,725,273,292
Cost of power generation	16	(3,053,575,697)	(4,030,242,518)
Gross profit		187,018,682	695,030,773
Operating expenses			
General and administrative expenses	17	(23,490,833)	(29,475,458)
Profit from operation		163,527,849	665,555,315
Finance cost	18	(88,187,292)	(126,681,223)
Interest and other income		49,399,295	-
Net profit from operation		124,739,853	538,874,092
Workers profit participation fund		(5,939,993)	(25,660,671)
Net profit before tax		118,799,860	513,213,421
Income tax expenses		-	-
Net profit after tax		118,799,860	513,213,421
Other comprehensive income		-	-
Total comprehensive income for the year		118,799,860	513,213,421
Basic Earning Per Share (EPS)	19	11.88	51.32

The annexed notes form an integral part of these statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

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

Dated, Dhaka;
25 October 2022

Sd/-
Md. Enamul H. Choudhury
Senior Partner
S. F. Ahmed & Co.
Chartered Accountants
DVC No. 2210250471AS709420

Dutch Bangla Power and Associates Ltd.
Statement of Changes in Equity
For the year ended 30 June 2022

	Amount in BDT			
	Share Capital	Retained Earnings	Revaluation Surplus	Total
Balance at 01 July 2021	100,000,000	3,055,112,126	336,711,743	3,491,823,869
Transfer of depreciation on revaluation surplus to retained earnings	-	725,245	(725,245)	-
Net profit after tax	-	118,799,860	-	118,799,860
Balance at 30 June 2022	100,000,000	3,174,637,230	335,986,498	3,610,623,729
Balance at 01 July 2020	100,000,000	2,538,465,264	340,145,185	2,978,610,449
Transfer of depreciation on revaluation surplus to retained earnings	-	3,433,442	(3,433,442)	-
Net profit after tax	-	513,213,421	-	513,213,421
Balance at 30 June 2021	100,000,000	3,055,112,126	336,711,743	3,491,823,870

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated, Dhaka;
25 October 2022

Dutch Bangla Power and Associates Ltd.
Statement of Cash Flows
For the year ended 30 June 2022

	Amount in BDT	
	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
A. Cash flows from operating activities		
Cash receipts from customers and others	2,862,010,266	3,689,721,624
Cash paid to suppliers, employees and other parties	(2,339,951,654)	(2,348,838,693)
Net cash provided by operating activities	522,058,612	1,340,882,931
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(257,900)	(596,430)
Net cash used in investing activities	(257,900)	(596,430)
C. Cash flows from financing activities		
(Repayment of)/Proceeds from long term borrowings	(578,359,960)	(1,212,925,602)
Finance cost	(39,202,372)	(126,103,380)
(Repayment of)/Proceeds from short term borrowing	(366,425)	(869,608)
Net cash used in financing activities	(617,928,757)	(1,339,898,589)
Net changes in cash and cash equivalents (A+B+C)	(96,128,045)	387,912
Cash and cash equivalents at the beginning of the year	103,208,321	102,820,409
Cash and cash equivalents at the end of the year	7,080,275	103,208,321

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated, Dhaka;
25 October 2022

Dutch Bangla Power and Associates Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2022

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 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 Siddhirganj, Narayanganj 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 five (5) years commencing from July 21, 2011. The contract has been extended for further five (5) years effective from 22 July 2016 vide memo no-27.00.0000.071.14.122.2010.534 dated 01 December 2016. The contract then expired on 22 July 2021. The government renewed the contract for two (2) years effective from 24 March 2022 vide memo no - 27.11.0000.101.14.020.22-1696 dated: 10 April 2022. The purpose of this contract is to supply of Net Energy Output, under the terms and conditions provided "No Electricity, No Payment and also without any guaranteed Minimum Off-take" basis by Rental Power Company by BPDB.

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 International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

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 statement of 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 & 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 an IFRS.

2.8 Statement of cash flows

The Statement of Cash Flows has been prepared under "Direct Method" in accordance with the requirements of IAS 7: Statement of Cash Flows.

2.9 Reporting period

The financial period of the company covers one-year period from 01 July 2021 to 30 June 2022.

2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the twelve months period from 01 July 2020 to 30 June 2021 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.

2.11 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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 IAS 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 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.

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 its 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 gets ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a reducing balance method effective from 01 July 2021 at the following rates:

<u>Group of PPE</u>	<u>Depreciation Rate</u>
Building & Civil Construction	5%
Plant & Machineries	5%
Vehicles	20%
Office Equipments	10%
Furniture & Fixtures	10%

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 or cash-generating units (CGU) fair value less cost 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 International Accounting Standards IAS 36 unless the asset is revalued in accordance with IAS 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 IAS 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 International Accounting Standard (IAS) 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 as income or expenses in the statement of profit or loss and other comprehensive income.

3.7 Borrowing cost

In compliance with the requirement of IAS 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 IAS 23.

3.9 Financial instrument

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and amortized cost.

The company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the company is recognized as a separate asset or liability.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Financial assets at fair value through other comprehensive income

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in other comprehensive income (OCI) and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Amortized cost

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Impairment of financial instruments

Financial assets

The company considers evidence of impairment for financial assets at both a specific asset and collective asset level at each reporting date. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor will enter bankruptcy, etc. accordingly, 100% provision is made over the amount outstanding.

Non-financial assets

The carrying amounts of the company's non-financial assets (tangible and intangible) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Segment reporting

No geographical and operational segment reporting is applicable for the company as required by IFRS 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 number of ordinary shares outstanding during the year (Note-19).

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 30 June 2022.

Guarantees

The company has given a bank guarantee of BDT 20,501,000 (BDT 20,501,000; 2021) to BPDB.

4 Property, plant and equipment

Sl. No.	Group of PPE	Amount in BDT				
		Balance as at 01.07.2021	ADDITION DURING THE YEAR	Rate (%)	Balance as at 01.07.2021	Balance as at 30.06.2022
A. At historical cost						
1	Land & land development	252,534,266	-	-	-	252,534,266
2	Building & civil construction	440,050,552	-	5%	197,767,736	230,168,675
3	Plant & machineries	5,545,469,998	-	5%	2,705,629,859	2,792,509,470
4	Vehicles	9,139,557	-	20%	7,538,805	1,280,602
5	Office equipments	24,196,863	257,900	10%	20,340,905	3,702,472
6	Furniture & fixtures	2,784,418	-	10%	2,769,110	13,777
Sub Total		6,274,175,654	257,900		2,934,046,415	3,280,209,262
B. Revaluation						
1	Land	300,946,672	-	-	-	300,946,672
2	Building & civil construction	7,439,607	-	5%	3,564,796	3,681,071
3	Plant & machineries	61,229,292	-	5%	29,339,032	31,358,756
Sub Total		369,615,571	-		32,903,828	335,986,498
Total 30 June 2022 (A+B)		6,643,791,225	257,900		2,966,950,243	3,616,195,761
Total 30 June 2021		6,643,194,795	596,430		2,663,010,369	3,676,840,983

		Amount in BDT	
		30 June 2022	30 June 2021
5	Investment		
	Orion Power Unit-2 Dhaka Limited.	1,900,000,000	1,900,000,000
		1,900,000,000	1,900,000,000
6	Inventories		
	Import related expenses-spare parts	2,948,922	-
	HFO, Mobil & Chemical	214,487,893	290,096,541
	Spare parts	268,958,057	284,046,336
		486,394,872	574,142,877
7	Trade and other receivables		
	Receivables from BPDB	2,923,373,419	2,544,789,306
	Current account with other related companies (Note-7.01)	536,895,176	548,881,053
		3,460,268,596	3,093,670,359
7.01	Current account with other related companies		
	Digital Power and Associates Ltd.	442,532,911	443,621,922
	Orion Gas Ltd.	36,500,000	36,500,000
	Orion Footwear Ltd.	45,769,566	45,769,566
	Orion Homes Appliance Ltd.	6,800,000	6,800,000
	Jafflong Tea Company Ltd.	2,408,371	2,408,371
	Orion Oil & Shipping Ltd.	-	10,896,866
	Orion Agro Products Ltd.	1,884,328	1,884,328
	Orion Hospital Ltd.	1,000,000	1,000,000
		536,895,176	548,881,053
8	Advances, deposits and prepayments		
	Advances (Note 8.01)	149,998,570	94,974,447
	Deposits (Note 8.02)	144,054,876	149,092,391
	Prepayments (Note 8.03)	13,316,488	22,301,931
		307,369,934	266,368,769
8.01	Advances		
	Advance to employees	2,702,447	1,136,386
	Advance to suppliers	7,431,077	3,172,086
	Advance income tax	363,752	344,075
	TDR - Phoenix Finance	102,000	321,900
	Others advances	139,399,295	90,000,000
		149,998,570	94,974,447
8.02	Deposits		
	Bank guarantee Margin - BPDB	20,501,000	20,501,000
	Bank guarantee Margin - Agrani Bank Ltd	28,314,376	28,314,376
	Bank guarantee Margin - Others	15,575,000	20,613,515
	L/C Margin	79,664,500	79,663,500
		144,054,876	149,092,391
8.03	Prepayments		
	Insurance premium	106,037	268,344
	Bank guaranty charge	13,210,452	22,033,587
		13,316,488	22,301,931

		Amount in BDT	
		30 June 2022	30 June 2021
9	Cash and cash equivalents		
	Cash in hand (Note-9.01)	1,452,309	930,286
	Cash at bank (Note-9.02)	5,627,966	102,278,035
		7,080,275	103,208,321
9.01	Cash in hand		
	Petty Cash - Head Office	512,473	930,286
	Petty Cash - Site Office	939,836	-
		1,452,309	930,286
9.02	Cash at bank		
	Agrani Bank Limited Pr. Branch-020000051380-(101506810)	560,163	28,667,134
	Bank Asia Ltd. A/c no. 2836000111	506,221	309,695
	AB Bank Ltd.A/c no. 4005788422000	4,037,995	6,134,327
	SIBL - 9021330449659	205,798	206,638
	UCBL A/c no. 0951101000009438	93,525	94,215
	Premier Bank, Motijheel 10811100017351	33,057	33,747
	Bank Asia Ltd. A/c no. 04933001013	89,527	90,217
	National Bank Limited. 1067003055909	94,240	94,930
	Mercantile Bank Limited 110111127382718	4,416	6,026
	Agrani Bank Limited. FC A/C No. 0200014751805	3,024	66,641,107
		5,627,966	102,278,035
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
		100,000,000	100,000,000

The shareholding position of the company are as under:

Name	No. of Share	30 June 2022	30 June 2021
Orion Pharma Ltd.	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
Jafflong Tea Company Ltd.	2,500	25,000	25,000
Orion Tea Company Ltd.	50,000	500,000	500,000
Arzuda Karim	10,000	100,000	100,000
	10,000,000	100,000,000	100,000,000

11	Long term borrowings		
	Mashreq Bank PSC Dubai	1,150,554,655	1,728,914,615
		1,150,554,655	1,728,914,615
12	Employee benefits payable		
	Employee welfare fund (Note-12.01)	3,949,856	3,355,857
	Bangladesh workers welfare foundation (Note-12.02)	3,949,856	3,355,857
	Workers profit participation fund (Note-12.03)	31,598,848	26,846,854
		39,498,561	33,558,567

		Amount in BDT	
		30 June 2022	30 June 2021
12.01 Employee welfare fund			
	Opening balance	3,355,857	789,790
	Add: Addition during the year	593,999	2,566,067
	Less: Payment during the year	-	-
		3,949,856	3,355,857
12.02 Bangladesh workers welfare foundation			
	Opening balance	3,355,857	789,790
	Add: Addition during the year	593,999	2,566,067
	Less: Payment during the year	-	-
		3,949,856	3,355,857
12.03 Workers profit participation fund			
	Opening balance	26,846,854	6,318,317
	Add: Addition during the year	4,751,994	20,528,537
	Less: Payment during the year	-	-
		31,598,848	26,846,854
<p>WPPF is charged @ 5% of net profit before tax as per labor act 2006 (Amended in 2008), whereas 80% is allocated to "Worker profit participation fund", 10% to "Employee welfare fund" and 10% to " Bangladesh workers welfare foundation".</p>			
13 Trade and other payables			
	Accounts payable - suppliers	3,461,269,804	2,975,302,856
	Current account with inter companies (Note-13.01)	1,348,317,665	1,225,646,018
		4,809,587,469	4,200,948,875
13.01 Current account with inter companies			
	Orion Pharma Ltd.	372,395,908	369,895,908
	Orion Power Rupsha Ltd.	58,211,332	58,211,332
	Energon Renewable (BD) Limited	12,300,000	12,300,000
	Orion Power Meghnaghat Ltd.	648,865,092	785,238,779
	Orion Oil & Shipping Ltd.	116,638,134	-
	Orion Power Sonargaon Ltd.	3,907,200	-
	Orion Power Unit -2 Dhaka Ltd.	133,000,000	-
	Orion Ship Management Limited.	3,000,000	-
		1,348,317,665	1,225,646,018
14 Accrued expenses			
	Interest payable on long term borrowing	5,856,363	6,270,738
	Salary & others allowances	12,439,754	13,621,558
	Director remuneration	4,125,000	4,125,000
	Retention money	1,529,051	1,529,051
	Withholding VAT	5,469,275	7,379,332
	Withholding Tax	2,339,443	2,239,811
	Other payable	122,886,334	111,053,663
	Audit fee	345,000	345,000
	Lease finance	12,695	379,120
	Provision for gratuity	12,042,109	12,042,109
		167,045,023	158,985,381
15 Revenue			
	Reference rental price	71,122,581	1,322,926,800
	Reference energy price (Variable-O&M)	394,085,193	119,555,057
	Sales Revenue HFO - OOSL	2,780,983,429	3,294,975,541
	Foreign exchange gain/(loss)	(5,596,824)	(12,184,106)
		3,240,594,379	4,725,273,292
	Add: Prior year adjustment		

		Amount in BDT	
		30 June 2022	30 June 2021
16	Cost of power generation		
	Opening Balance	290,096,541	136,664,192
	Add: Purchase (Note- 16.01)	2,790,430,863	3,622,890,922
		3,080,527,404	3,759,555,114
	Less: Closing Balance	214,487,893	290,096,541
		2,866,039,511	3,469,458,574
	Add: Plant overhead (Note-16.02)	187,536,186	560,783,945
		3,053,575,697	4,030,242,518
16.01	Purchase of raw material		
	Mobil & Chemical	36,618,712	43,569,430
	HFO - OOSL	2,753,812,151	3,579,321,492
		2,790,430,863	3,622,890,922
16.02	Plant overhead		
	O & M services	36,306,249	75,662,493
	Repair & maintenance	14,400,146	86,479,237
	Salaries & allowances	71,782,884	71,765,879
	Travelling & conveyance	3,833,424	2,234,412
	Insurance	310,361	488,974
	Depreciation	60,903,122	303,939,874
	Miscellaneous expenses	-	20,213,077
		187,536,186	560,783,945
17	General and administrative expenses		
	Directors remuneration	8,400,000	8,400,000
	CSR	235,860	1,200,000
	Advertisement	-	2,866,576
	Fooding and entertainment	5,577,488	7,073,631
	Office utilities	654,344	635,920
	Office communication	595,215	413,674
	Fees & taxes	2,090,645	2,232,623
	Stationary, accessories & supplies	527,361	597,543
	Security service	4,073,330	3,598,842
	Professional and consultancy fees	991,590	2,111,650
	Audit fee	345,000	345,000
		23,490,833	29,475,458
18	Finance cost		
	Interest on long term borrowings	53,587,323	83,590,843
	Interest Expenses - Lease Finance	14,605	107,457
	Bank charges, commission and fees	34,585,364	42,982,923
		88,187,292	126,681,223
19	Earning per share		
	The computation is given below:		
	Profit after tax	118,799,860	513,213,421
	Weighted average number of ordinary shares outstanding during the period	10,000,000	10,000,000
	Basic earning per share (EPS)	11.88	51.32

20 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, 2022:

Particulars	Long term borrowings	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	4,809,587,469	167,045,023	4,976,632,492
Amount repayable within 2 to 5 years	1,150,554,655	-	-	1,150,554,655

21 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as at 30 June 2022

Name of Related Parties	Relationship	Nature of Transaction	Opening Balance as on 01. 07.2021	Addition	Adjustment	Closing Balance as on 30. 06.2022
Orion Pharma Ltd.(Share Capital)	Holding Company	Investment in Share Capital	(67,000,000)	-	-	(67,000,000)
Orion Pharma Ltd.	Holding Company	Intercompany Current A/C	(369,895,908)	17,000,000	(19,500,000)	(372,395,908)
Orion Power Meghnaghat Ltd.	Common Director/ Share holding	Intercompany Current A/C	(785,238,779)	140,857,254	(4,483,567)	(648,865,092)
Digital Power & Associates Ltd.	Common Director/Share holding	Intercompany Current A/C	443,621,922	3,230,316	(4,319,327)	442,532,911
Orion Gas Ltd.	Common Director/Share holding	Intercompany Current A/C	36,500,000	-	-	36,500,000
Orion Oil & Shipping Ltd.	Common Director/Share holding	Intercompany Current A/C	10,896,866	165,000	(127,700,000)	(116,638,134)
Orion Footwear Ltd.	Common Director/Share holding	Intercompany Current A/C	45,769,566	-	-	45,769,566
Orion Power Unit-2 Dhaka Ltd.	Common Director/Share holding	Intercompany Current A/C	-	-	(133,000,000)	(133,000,000)
Orion Homes Appliance Ltd.	Common Director/Share holding	Intercompany Current A/C	6,800,000	-	-	6,800,000
Orion Power Rupsha Ltd.	Common Director/Share holding	Intercompany Current A/C	(58,211,332)	-	-	(58,211,332)
Jaflong Tea Company Ltd.	Common Director/Share holding	Intercompany Current A/C	2,408,371	-	-	2,408,371
Orion Agro Products Ltd.	Common Director/Share holding	Intercompany Current A/C	1,884,328	-	-	1,884,328
Energon Renewable (BD) Limited	Common Director/Share holding	Intercompany Current A/C	(12,300,000)	17,000,000	(17,000,000)	(12,300,000)
Orion Power Sonargaon Ltd.	Common Director/Share holding	Intercompany Current A/C	-	592,800	(4,500,000)	(3,907,200)
Orion Ship Management Ltd.	Common Director/Share holding	Intercompany Current A/C	-	-	(3,000,000)	(3,000,000)
Orion Hospital Ltd.	Common Director/Share holding	Intercompany Current A/C	1,000,000	-	-	1,000,000

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	8,400,000
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	-

22 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2022	Plant factor 2021
		(% on licensed capacity)	(% on licensed capacity)
100 MW	106.80 MW	Average 44.00% Max. 67.00%	Average 42.00% Max. 70.00%

23 Employee details

During the period, there were 106 employees employed for the full year and the end of the year with remuneration of BDT 6,413 per month and above.

24 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

25 Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 25 October 2022.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Dated, Dhaka;
25 October 2022



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. _____ having BO ID No. _____, e-mail _____, Phone No. _____, as my proxy to join and vote for me/us on my/our behalf at the 57th Annual General Meeting of the Company to be held on Wednesday, December 28, 2022 at 3:00 p.m. on a digital platform and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2022 signed by the said in presence of _____

(Signature of the Proxy)

Revenue
Stamp
Tk. 20.00/-

Signature of the Shareholder(s)

BO ID No. _____

Dated _____

Signature of Witness

Note:

A member entitled to join and vote at the General Meeting may appoint a proxy to join and vote in his/her stead. The proxy form, duly stamped, must be sent to the Registered Office of the Company via registered post/e-mail (orion.share@orion-group.net) not later than 48 hours before the time appointed for the meeting.

Signature Verified

Authorised Signatory



ORION PHARMA LIMITED

153-154, Tejgaon Industrial Area, Dhaka-1208

SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my joining in the 57th Annual General Meeting of the Company to be held on Wednesday, December 28, 2022 at 3:00 p.m. on a digital platform.

Name of Member(s) _____ BO ID No. _____

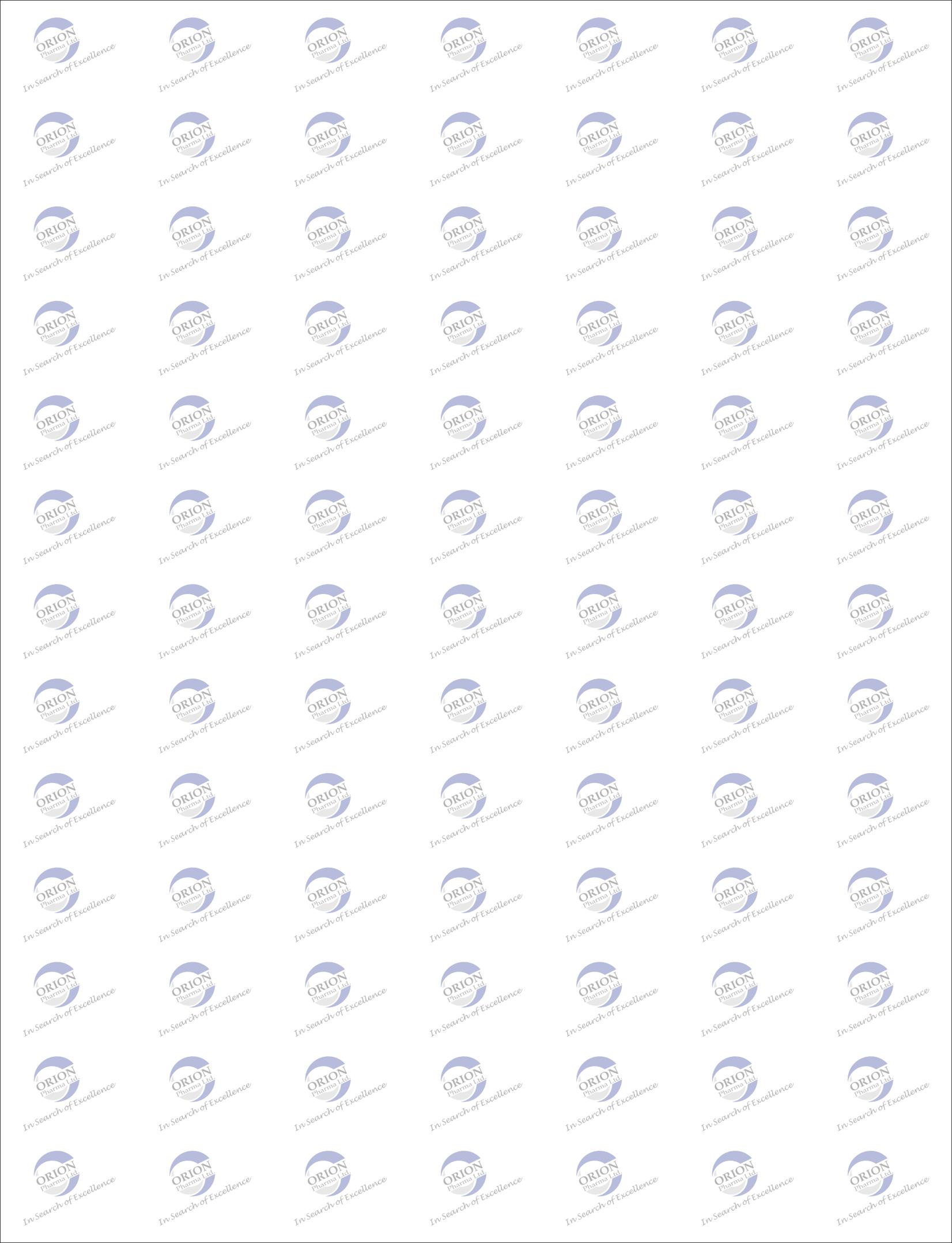
holding of _____ ordinary Shares of Orion Pharma Limited.

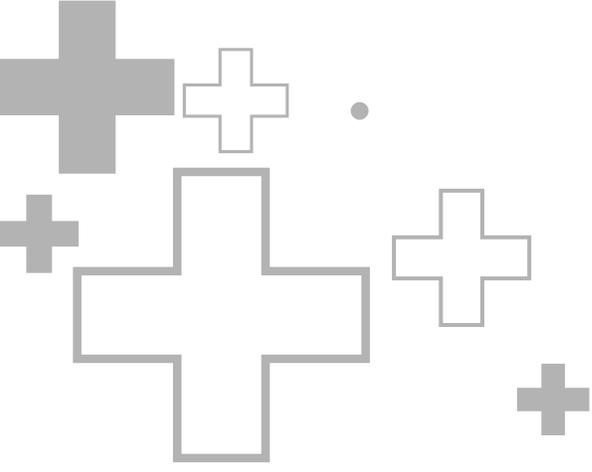
(Signature of the Proxy)

Signature of the Shareholder(s)

N.B.

1. Please note that AGM can only be joined by the honourable shareholder or properly constituted proxy.
2. Please sent this slip via registered post/e-mail (orion.share@orion-group.net) to the Registered Office of the Company.





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